DETERMINANTS OF PROCUREMENT PERFORMANCE IN COUNTY GOVERNMENTS: THE CASE OF MINISTRY OF HEALTH AND EMERGENCY SERVICES, MACHAKOS, KENYA

BY

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DECLARATION

This Research Project report is my original work and has not been submitted for an academic award in any other University.

Sign________________________________ Date______________________________

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This Research Project report has been submitted for Examination with my approval as the University supervisor.

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DEDICATION

To Fred: Your love, support, patience and encouragement gave me the will and determination to complete this work in time.
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I would like to thank God for his care, protection and provision throughout my studies and for giving me the strength and endurance to undertake this research project. I am grateful to my supervisor, Dr Kyalo, for her wise counsel and availability for guidance in the process of carrying out this research.

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ABBREVIATIONS AND ACRONYMS

AIE – Authority to Incur Expenditure

CEOs – Chief Executive Officers

CIPS – Chartered Institute of Purchasing and Supplies

CPAR – Country Procurement Assessment Report

GPA – Government Procurement Act

ICS – Internal Control Systems

IFMIS – Integrated Financial Management Information System

ODA – Official Development Assistance

PFM – Public Finance Management

PPDA – Public Procurement and Disposal Act

WHO – World Health Organization

SPSS – Statistical Package for Social Sciences

VFM – Value for money

PE – Procurement Entity

GoK – Government of Kenya

ICT – Information Communication Technology
ABSTRACT

The purpose of the study was to identify determinants of procurement performance in County Governments, a case of Ministry of Health and Emergency Services, Machakos, Kenya and come up with recommendations on how to achieve efficient and effective procurement performance. The objectives of the study were: to establish the extent to which of procurement professionalism influence procurement performance in Ministry of Health and Emergency Services, Machakos County, to determine the extent to which stakeholders involvement influence procurement performance in Ministry of Health and Emergency Services, Machakos County, to determine the extent to which project financing influence procurement performance in Ministry of Health and Emergency services, Machakos County and to determine the extent to which adoption of ICT influences procurement performance in Ministry of Health and Emergency Services, Machakos County. The study was carried out in Ministry of Health and Emergency Services, Machakos County. The study used descriptive survey research design. A sample of 36 procurement officers was selected from 120 staffs in the Ministry of Health and Emergency Services using cluster random sampling method. A closed ended questionnaires was used for data collection. The questionnaires was validated by experts from the University. Cronbach’s alpha method was used to affirm the reliability of the instruments. The questionnaires were found reliable with reliability index of 80%. The data collected was edited, coded and analyzed using descriptive analysis and other parts statistical package for social sciences (SPSS) version 20.0. The results of the study were presented in tables, percentages, charts and bar graphs. The study established that procurement professionalism, project financing, stakeholders involvement and adoption of information communication technology influence procurement performance in Ministry of Health and Emergency Services. The findings revealed that 62% of the uncompleted projects are caused by lack of early disbursement of funds, procurement plan influenced procurement performance by 50% and that 58% of the respondents strongly agreed that high cost hindered full implementation of ICT in the Ministry. The study recommends that the ministry should be organizing workshops and trainings for procurement officers in order to improve their skills and knowledge, while employing they should ensure key competencies and experiences are put into consideration. The ministry should also put in place measures to prevent unethical behaviors which are costly to an organization. Early disbursement of funds is also recommended as it leads to completion of project on time. Payment of suppliers on time is also highly recommended so as to ensure steady service delivery. Filing of project progress report is also advocated as it helps to keep a track on the progress of project within the ministry. The ministry should also come up with adequate oversight over procurement contract management and provide employees with necessary tools and training to support them on contract management responsibilities. High cost of implementing full automation of ICT and inadequate e-procurement solutions is found to be the hindering factor of full automation of procurement functions in the ministry, however it is important for the ministry to adopt full automation of ICT however costly it is as it increases procurement efficiency and effectiveness. The findings of the study will be useful to National government, other County Ministries, interested stakeholders for guidance in coming upon with comprehensive policies that are supportive to effective and efficient procurement performance and also as reference material in guiding future study and boosting procurement performance.
CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Public procurement is a function of government that is most prone to corruption, particularly in developing countries where there is insufficient transparency and competition. (Thai, 2008). Public procurement is important to taxpayers, funding agencies, beneficiaries of goods and services, government contractors, economic development, social environment and integrity of the administration. (Arrow smith et-al., 2000).

Public procurement in Uganda is an issue of debate by both the academic and policy makers. Kiraso, 2005 in his finding indicated that 70% of the national budget is spent on procurements alone while 30% is spent on emoluments of public workers. By 1998 total expenditure on procurement was estimated to be $200 million per year through procurement system, with perhaps $500 million spent through donor funded projects.

Kenya has undergone significant developments from being a system with no regulations in the 1960, s, 1970,s and 1980,s, a system regulated by the treasury circulars. Public procurement and disposal Act 2005 (PPDA) and public procurement regulations 2006, introduction led to new standards for public procurement in Kenya. A anti-corruption body was introduced to fight against corruption and this ensures that public funds are expended for the purpose intended and value for money is obtained by the public purchaser, ensuring accountable documents and systems are in place and in a proper condition to identify weaknesses in procurement (TISA, 2009).

The legal frameworks in Kenya provides that to manage procurement efficiently and effectively procuring entity should first consolidate procurement plan and be approved by Accounting officer.(Industry Manual, 2008). A procurement plan should be prepared by the user departments with a view of avoiding or minimizing excess votes in the entity budgets and to
prevent any procurement if there are no funds to pay. (Industry manual, 2008). This implies that procurement should be prepared according to the approved budget and procurement law.

Machakos county is a county of Kenya which covers 6,208 SQ km. Its capital is Machakos. Its largest town is Machakos town, the country’s first Administration headquarters. The county boarders Embu (North), Makueni (South), Kitui (East), Nairobi & Kiambu (west), Kajiado (South West), Murang and Kirinyaga (North West). Machakos county is a government institution and it is expected to carry out public procurement like any other government institution being guided by public procurement and disposal Act 2005 and public procurement regulations 2006. In Machakos county in the ministry of Health and Emergency Services, a report on the progress of construction and upgrading of community hospital indicated that 75% of the works were uncompleted, there was also stalled projects and poorly implemented works, regular staff strikes due to lack of working tools. (internal Audit Report, 2014). This greatly contributed to the interest of investigating the determinants of procurement performance in County Governments: The case of Ministry of Health and Emergency Service, Machakos County, Kenya.

Hunja, 2003 states that procurement policies are important from development perspectives as reducing poverty, attaining health, Education and getting the most from the limited funds. Effective and efficient public procurement systems are essential for the realization of millennium development goals (MDG,s) and the promotion of sustainable development, all the procurement systems in many developing countries have been weak and have served to squander scarce domestic and foreign resources. (Development Assistance, Committee, 2005).

1.2 Statement of the Problem

The procurement function has not been given the recognition it deserves in developing countries, in most public entities regardless of the effort by the partners like the world bank, the international trade organizations, the united nations conferences on trade and development, the world trade organizations and others (Basheka and Bisangabasaija, 2010). This could be deliberate or sheer ignorance on the value the procurement function could contribute to any organization in Kenya. A lot of state resources are channeled towards procurement of goods and services, with aim of ensuring that the full cycle is completed efficiently (A Ketch, 2005). However there are reports of dissatisfaction with the whole or part
of the process of procurement, which are said to subsequently impede useful implementation of Government projects.

Country Procurement Assessment Report (CPAR) prepared by a team of Government Officials, World Bank and other donor staff, national consultants reveals substantial inefficiencies in public procurement and concludes that the principle of Òvalue for moneyÓ is not achieved. This is true for both Government and donor financed projects. The main findings of 2002 Country portfolio performance review of world bank projects also reviewed slow project implementation and disbursement among other factors due to large extent of inadequate procurement planning, social demographic factors, stakeholders and adoption of ICT which leads to challenges such as insufficient funding and subsequently poor performance of the procurement function.

Procurement function in Kenya has been characterized by massive scandals and indignity which have been attributed to poor handling procurement information thus leading to excessive corruption (Thai, 2009). A report from controller of budget Aug 2014 indicated that various counties returned and unutilized funds. These counties were Makueni, Machakos, Lamu, Kilifi, Trans-Nzoï and Nakuru. There are also reports of stalled projects, abandoned projects and poorly implemented works (Internal audit June 2014 Machakos county). Greatly contributed to the interest of investigating the determinants of procurement performance in county governments.

The cause of Ministry of Health and Emergency services Machakos County, Kenya.

For any organization to change its focus and become more competitive, performance is a key driver to improving quality of services. Batenburg and Versendaal (2006) noted that use of inappropriate means can be a barrier to change and may lead to deterioration of procurement operations. Organizations which do not have performance means in their processes, procedures, and plans experience lower performance and higher customer dissatisfaction and employee turnover. In regard to the study in Ministry of Health and Emergency Services, the study will yield procurement performance benefits to Machakos County, such as cost reduction, enhanced profitability, assured supplies, quality improvements and competitive advantage.

1.3 Purpose of the study

The purpose of this study was to investigate the various determinants that influence procurement performance in Machakos County and to determine the extent to which they affect procurement performance.
1.4 Objectives

The study was guided by the following objectives

i. To establish the extent to which Procurement professionalism influence procurement performance in Ministry of Health and Emergency Services, Machakos County.

ii. To determine the extent to which stakeholders involvement influence procurement performance in Ministry of Health and Emergency Services, Machakos County.

iii. To determine the extent to which project financing influence procurement performance in Ministry of Health and Emergency Services, Machakos County.

iv. To determine the extent to which adoption of ICT influences procurement performance in Ministry of Health and Emergency Services, Machakos County.

1.5 Research Questions

The study was guided by the following research questions

i. To what extent does procurement professionalism influence procurement performance in Ministry of Health and Emergency Services, Machakos County?

ii. To what extent does project financing influence procurement performance in Ministry of Health and Emergency Services, Machakos County?

iii. To what extent does stakeholders involvement influence procurement performance in Ministry of Health and Emergency Services, Machakos County?

iv. To what extent does adoption of information communication technology influence procurement performance in Ministry of Health and Emergency Services, Machakos County?

Hypotheses

i. \( H_1 \): Procurement professionalism has a significant influence on procurement performance in Ministry of Health and Emergency Services, Machakos County by a large extent.

ii. \( H_2 \): Project financing has a significant influence on procurement performance in Ministry of Health and Emergency Services, Machakos County.
iii. **H₁**: Stakeholder involvement has a significant influence on procurement performance in Ministry of Health and Emergency Services, Machakos County by a great extent.

iv. **H₁**: Adoption of ICT has a significant influence on procurement performance in Ministry of Health and Emergency Services, Machakos County by great extent.

1.6 **Significance of the Study**

The findings and recommendations of the study will be useful to be the government, all procurement units at the County ministries, interested stakeholders for guidance in coming upon with a comprehensive policy that is supportive to effective management of the procurement performance. The findings may also be useful as reference materials guiding future studies, planning and monitoring of correct and future procurement performance. The findings and recommendations of the study will add on to the existing knowledge on the determinants of procurement performance. It is also a requirement for attainment of my master’s degree.

1.7 **Limitation**

The study was limited by inadequate time and resources to reach to the whole population. The limitation was overcame by carrying out sample size, notifying the respondent in advance and building a consensus on appropriate date and time to administer the questionnaire. The issue of time and timeliness was addressed by recruiting and training a research assistant to assist in data collection. Resistance of respondent, the researcher assured all respondents that the information that was given will be treated with a lot of professionalism and confidentiality and was only for the academic purpose to encourage them to give honest answers.

The participants were given an option not to answer any question they did not wish to give information about. Some respondents were unfriendly. To overcome this limitation the researcher and the research assistant treated all respondents with courtesy, care was taken to ensure that the interview took the least time possible to reduce any inconveniences that may be caused by the respondents.
1.8 Delimitations of the Study

The study was to analyze determinants of procurement performance in Machakos County. It was geographically limited to Machakos County. The study was targeting a sample size of 36 procurement staffs of ministry of health and emergency Services, Machakos County. The study focused on the following independent variables; Procurement professionalism, project financing, stakeholders involvement and adoption of ICT. The study was successful because the researcher took a topic that was easy to work with. The location of areas of study was easily accessible. The sample size selected was reachable and in terms of cost affordable. The instruments selected to collect the data were readily available and therefore easy to work with.

To address the issue of time, notified the respondents in advance and build consensus on appropriate date and time to administer the questionnaires, recruited research assistant and treated the information collected from the respondents with a lot of care and confidentiality. Respondents were treated with a lot of care and courtesy to ensure honest and complete answers.

1.9 Assumptions of the Study

The study assumed that the identified factors (procurement professionalism, project financing, stakeholders involvement and Adoption of information communication technology) influence procurement performance in Ministry of Health and Emergency Services, Machakos County.

The study assumed respondents answered all the questions honestly and objectively according to their knowledge and that the information collected was correct and truthful. The study assumed that the sample selected was a representative of the target population.

1.10 Definition of Terms

**Procurement:** is the acquisition of goods, services or works from an external source. It is favorable that goods, services or works are appropriate and that they are procured at the best possible cost to meet the needs of the acquiring terms of quality, quantity, time and location.

**Procurement Performance:** The holistic process of managing and increasing the added value of procurement like transparency in procurement.
**Procurement Planning:** is the process of deciding what to buy, when and from what sources. During planning process the procurement methods is assigned and the expectations for fulfillment procurement requirements determined.

**Demographic Characteristics:** Statistical data of a population under study for example in regard to our study demographic characteristics of procurement officers like gender, age, level of education, position held in the organization and terms of Employment.

Procurement professionalism:

**Stakeholders:** Individuals who play part to make sustainable procurement function for it to be efficient and effective.

**Project financing:** is the process of determining how to go about obtaining the resources required to manage the costs associated with the launch and ongoing operation of a project. While this process sometimes involves the reallocation of resources in order to fund the project, project financing more commonly involves securing loans or other types of financing in order to cover the costs of the project. The goal is often to secure enough assets to launch the project and keep it functioning until it can begin to generate a return and become self-sufficient.

**Contract Management:** Integration or administrative activities associated with handling of contract such as invitation to bids, bid evaluation, award of contract, contract implementation, measurement of work completed and computation of work completed, computation of payments.

**Information Communication Technology:** Tools and resources used to communicate and to create, disseminate, store and manage information and this enhances procurement processes.

**1.11 Organization of the Study**

The study is organized into Five Chapters. Chapter one covers background of the study, statement of the problem, purpose of the study, objective of the study, research questions, significance of the study, limitations of the study, delimitation of the study, assumptions of the study and definition of significant terms. Chapter two is literature review which gives an overview of procurement performance in international, regional, national and local, theoretical framework and conceptual framework. Chapter three Research Methodology covers research design, target population ,sampling procedure and sample size, methods of data collection,
validity of the research instruments, reliability of the research instruments, methods used for data analysis, ethical consideration issues and operationalization of variables. Chapter Four covers data analysis, presentation, interpretation and discussions of the research findings. Chapter Five covers introduction, summary of the findings, conclusions, recommendations and recommendations for further research.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter will consist of literature review, critique of existing literature, summary, theoretical framework and conceptual frame work. The main aim of literature review is to study and acknowledge the input of other researchers and authors and their contributions to the body of knowledge in order to shed more light on the topic of discussion. This chapter will be organized to review literature, from global, regional, national and local perspectives.

2.2 Theoretical Framework

Theoretical frameworks provide the organization for the study. It guides the researcher in the interpretations of the results. The importance of the theory is dependent on the degree of research-based evidence and level of its theory development.

2.2.1 Agency Theory

Prier (undated) explains that an agency relationship is a contract under which one or more persons (principals) engages another person (the agent) to perform some service on their behalf which involves delegating some decision making authority to the agent. The principal agent theory as advocated by Donahue (1989) explains that procurement managers in public sector play the relationship role. It helps to explain the role of public procurement personnel in discharging their mandate. It is merely assumed that the principal and the agent do not share the same levels of information, and as such, the agent can opportunistically take advantage of the situation, sometimes to the detriment of the principal. Therefore, procurement managers take on the role of agent for elected representatives, (Eyaa et al, 2011).

Njiraini et al (2006) states that the proponents of this theory argue for increasing participation of the public in the procurement processes. Such participation is likely to enhance the scope of
monitoring and enforcement of procurement decisions by public agents and shift the responsibility from the elected representatives to the taxpayers, who are the main principals.

### 2.2.2 Transaction Costs Theory

According to Njiraini et al (2006) transaction cost theory can be useful in unraveling sources of barriers to firms intending to participate in public procurement. Such costs include among other things the cost incurred in obtaining and verifying information about the quantity and quality of goods and services and the quality of property rights to be transferred including legal and contractual framework..

Njiraini et al (2006) says that transaction costs relating to public procurement are those costs that Enterprises incur in trying to access a contracts. In most cases, communication costs are higher for MSE than large organizations which hinder effective, fair and open competition among suppliers. Mumo et al (2013) observes that ten years after the e-government directorate was set to manage ICT in the government, Kenyans are still struggling with the manual access of government services making it difficult for the private sector to engage profitably with the government. This facet has led to exploitation of the procuring entities resulting in poor service delivery to the public besides perpetuating other malpractices such as corruption.

### 2.2.3 Normative Ethical Theory

Darwall (Undated) says that philosophers use normative ethical theory to refer broadly to principles, concepts and ideals that can be cited in support of ethical judgments about cases. As such, the investigation of normative ethical theory is unavoidable if we are to think about ethical issues with any case. This is because the part of ethics we call morality is modeled on law, even if other parts are not. What is wrong in a person’s undertaking is what one can appropriately be held accountable for doing and that it warrants blame where there is no adequate and justified reason. Thomason (2013) says that managers are often responsible for making a variety decisions which affect both internal and external stakeholders for an organization. It is therefore the management’s responsibility when making decisions to act ethically guided by the ethical or moral principles defined by society. Darwall (Undated) says that a procurement manager held
accountable for wrongdoing should be capable of accepting the judgment in some sense, of being brought to see that it is a reasonable judgment to have been made.

This can help to foster integrity and a moral dealing among public procurement personnel. Eyaa et al (2011) argues that the level of professionalism in public procurement is low or even non-existent. This according to Mosoba (2012) is the reason why procuring entities brought before the PPARB in Kenya continue ignoring the advice of the Board and commit the same mistakes while blaming the law instead of their own deliberate interests. In response, several cases and controversies have characterized tendering for public projects including those in critical social areas such as the General Elections, water and human relief services. For instance, Ngirachu (2013) says reports that procurement of sub-standard BVR poll kits cost the tax payer over KES 7.2 billion only to collapse leading to delay of the release of election results by the IEBC who resorted to controversial manual tallying method. However, Land, Riley and Cayer (2005) argue that finding, hiring and retaining dedicated, energetic and ethical employees with requisite skills has remained difficult especially in the public sector.

2.2.4 New Public Management Theory

According to New Public Management (NPM) philosophy, modern government should be customer oriented, competitive and result oriented, and thus ICT has a role to play for enhancing the effectiveness of government services hence the concept of new public management is used to strengthen the need and importance of ICT in public sector (Geentanjali, 2011). ICT is also expected to contribute to improved communications patterns, an increased demand for coordination of joint activities and new organizational and societal structures through its ability to store, transmit and process information and speed up inter-organizational activities (Clemons & Row, 1992). ICT services can be used for promoting more efficient and cost-effective government, more convenient government services, greater public access to information, and more government accountability to citizens (Geetanjali, 2011). E-Procurement has been defined as the use of information technologies to facilitate B2B purchase transactions for materials and services (Wu & Ross, 2007). Organizational readiness and external pressure impact on e-business strategy (Mehrtens, 2001). Many firms are experiencing a number of major problems in implementing e-business projects due to haste decisions in the
presence of considerable media and software vendor hype, and often no theoretical basis behind the determination of which applications are most applicable (Cox, 2001). Electronic procurement in public domain can be seen as a policy tool to support service delivery of public procurement policy, improving transparency and efficiency (Carayannis & Popescu, 2005; Croom & Brandon-Jones, 2005). E-Procurement can assist a government in the way it does business by reducing transactional cost, making better decisions and getting more value (Panayiotou, 2004). E-procurement adoption and usage in the EU and US public sector is being encouraged (Carayannis & Popescu, 2005; Reddick, 2004).

2.3 Determinants of Procurement Performance

Procurement is the act of obtaining or buying goods and services. The process includes preparation and processing of a demand as well as the end receipt and approval of payment. Performance is the accomplishment of a given task against preset known standards of accuracy, completeness, cost and speed or is fulfillment of an obligation. Referring to our topic the researcher is seeking to explore the determinants of procurement performance such as procurement professionalism, project financing, stakeholders and adoption of ICT and they influence procurement performance.

Public procurement has always been a big part of the developing countries’ economy accounting for 40% of their GDP. However, concerns on the way in which public organizations use the resources that are given to them has often raised doubts that value for money has not been realized. The overall problem in this study was that despite the fact that there has been reforms initiative in the public procurement system in Kenya since mid-1990s, the government still lost billions of money through procurement irregularities with the Ministry of Water and Irrigation leading by 38% of the reported cases in 2010/2011 and 33% in 2011/2012. The overall objective was to explore determinants of public procurement performance in Ministry of Health and Emergency Services, Machakos County. The specific objectives included the effect Procurement professionalism on procurement performance, to establish how project financing affects procurement performance in Machakos County, to ascertain how ICT influence procurement performance in Machakos County, determine the influence of stakeholder’s involvement on procurement performance in Machakos County.
2.3.1 Procurement Professionalism on Procurement Performance

Professionalism in procurement can be explained as the practical and visible use of qualities and competencies covering knowledge, appropriate skills and behaviors. Inside a general sense, professionalism originates from knowing one has done a great job to the better of one’s ability. According to Gilbert (1998) a professional is a person who is highly educated, enjoys work autonomy, earns a comfortable salary, and engages in creative and intellectually challenging work. Professionalism in procurement cannot be achieved without education and learning both technical and soft skills however it doesn’t stop there. An authentic curiosity about relevant news and events is advantageous to keep on top of the most recent thinking and techniques. A procurement professional comes with an in-depth understanding of the whole process from sourcing products or services through to completion and exiting of contracts. There are lots of sub-processes that are vital to some successful operation of the business including negotiating and contracting with suppliers, supplier relationship management and also the need for compliance and risk mitigation. A study carried by Kelvin and his group (2013) revealed that, supermarkets therefore need to understand the trends in the changing needs of the customers in order to improve their performance.

Areas of further research include the cost of unethical procurement on organizational performance; assessment of the effects of procurement automation on customer satisfaction; automated procurement and its effect of quality of delivered services in supermarkets in Kakamega is yet to be studied.

Staff competency is defined as a capability or an underlying characteristic of an individual, which is casually related to effective or superior performance. For purpose of this study competency is used to refer to applied knowledge and skills. Performance delivery and behavior required to get things done very well(Armstrong and Baron, 1995).Public procurement professionals have to strive to achieve three competing demands of meeting commercial interests with key themes of value for money, economy, efficiency and effectiveness.

Staff Competency and Procurement Performance require necessary skills and experience to carry out procurements effectively and that the staff competencies influence procurement performance to a large extent. Procurement staff competencies affect procurement performance both for procurement unit and to the whole nation in the sense that experienced staff carry out duties in a
professional manner and reduce wastage of resources. Effective and efficient procurement process can only be achieved by proper planning by competent staff else there would be flaws in the process. Competent staff would ensure that items and services are procured as and when the need is expected. Lysons and Dillingham, (2003) confirms this indicating that procurement personnel should be knowledgeable about specifications so as to be able to secure value for money.

Inside a general sense professional originates from knowing one has done a great job to the better of one’s ability. According to Gilbert (1998) a professional is a person who is highly educated, enjoys work autonomy, earns a comfortable salary and engages in creative and intellectually challenging work. Professionalism in procurement can be achieved without education and learning both technical and soft skills however it doesn’t stop there. Managing purchasing and supply function require a thorough understanding of the procurement process that takes place within the organization which requires competent staff (Weele, 2010). Kiplgat (2010) pointed out that lack of requisite skills in employees was one of the challenges facing communication commissions of Kenya. Many of the challenges and concerns relate to the fact that the government institutions have not professionalized their procurement organization, systems and staffs (Weele, 2010). Communications skills both on paper and verbally are also critical on procurement professionalism. Similarly Kolchin and Guinipero (1993) proposed three skills, business, Interpersonal and technical skills, Allen (2013) argues that firms that have embraced this idea have made better performance since procurement professionalism guarantees customer satisfaction.

Procurement professionalism on procurement performance and ethics both connect. Ethics covers the conduct and moral principles acknowledged as appropriate within the profession. According to Collins (2009), organization that manages procurement appropriately lead to superior financial performance accrued from avoiding the cost of unethical procurement practitioners. It should be noted that all the monies given as bribes to corrupt procurement practitioners by unethical suppliers are siphoned from the buying organization as part of quoted price of goods, services and works acquired. Training as staffs is also critical as it improves procurement practitioner’s skills and knowledge thus improved procurement performance,
experience cannot also be ignored as it leads to efficiency and effectiveness of procurement performance.

\( H_1: \text{Procurement professionalism has a significant influence on procurement performance in the Ministry of Health and Emergency Services, Machakos County by a large extent.} \)

### 2.3.2 Project Financing on Procurement Performance

Project financing is the process of determining how to go about obtaining the resources required to manage the costs associated with the launch and ongoing operation of a project. While this process sometimes involves the reallocation of resources in order to fund the project, project financing more commonly involves securing loans or other types of financing in order to cover the costs of the project. The goal is often to secure enough assets to launch the project and keep it functioning until it can begin to generate a return and become self-sufficient.

Government officials and elected leaders have increasingly come to realize that public agencies must utilize ICT in order to enhance the procurement processes in the public sector faced with tight budgets and a retiring workforce, today’s government agencies are operating in an environment defined by the need to do more with less today’s public authorities are expected to provide excellent service to their constituents in an effective and transparent manner, all the while working under constant resource constraints by adopting ICT (Hagen and Zeed 2005). This requirement means that this aspect is underfunded. The support is expected to offer to the procurement cycle will not be realized.

Country Procurement Assessment Report (CPAR), prepared by a team of government officials, World bank and donor staff and National consultants, reveals substantial inefficiency in public procurement and concludes that the principle of ‘value for Money’ is not achieved. This is true for both governments financed and donor financed procurement. The main findings of the 2002 country portfolio performance Review of World Bank projects also reviewed slow project implementation and disbursement among other factors due to a large extent of inadequate procurement planning, non-transparent procurement procedures and poor contract management.

Inadequate planning leads to challenges such as insufficient funding and subsequently poor performance of the procurement function.
A review in 2002 of 132 works contracts which constitute an important part of public expenditure indicated that about 84% of incurred cost overruns of up to 30% of the initial amount (World Bank, 2003). Similar findings of public procurement weaknesses attributed to poor financing were recorded in the in the 1996 country procurement Assessment Report (World Bank, 1996). In Kenya there have been cases of stalled and incomplete projects due to delayed financing from the government or insufficient funding linked to lack of foresight. However, there seems too little research on this aspect in the case of public procurement.

There is still a knowledge gap on how the procurement process can contribute to improved performance of the procurement function in developing countries. Purchasing efficiency and purchasing effectiveness represent different competencies and capabilities for the purchasing function. CIPS Australia (2005) presents the differences between efficiency and effectiveness. Efficiency reflects that the organization is "doing things right" whereas effectiveness relates to the organization "doing the right things." This means an organization can be effective and fail to be efficient, the challenge being a balance between the two issues to do with timeliness in the disbursement of funds to the government units helps in improving the process of procurement.

The procurement unit needs to be assured of funds availability before preparing procurement plans and entering into negotiations with the suppliers. This literature fails to recognize delays in financing projects as a possible aspect of the factor. Funding mechanism is necessary to maintain a system that, due to the volume and complexities of a public procurement, will invariably consume time and resources. Yet, funding from the same source that funds the awards committees will render the distinction between the two irrelevant.

Planning is the guidance of future action (Forrester 1989: 3). Planning [is] an activity that is basically a process: a process of human thought, and action based upon that thought: nothing more or less than this... (Chadwick: 184). Planning is the intelligent cooperation with the inevitable (quoted by Kriesis 1966). Planning is simply another of our many processes for converting history into current activity... (Forrester 1975: 167). Planning acts as an intervening variable between knowledge and action (Westley 1995, p 396). Planning is not everything (Alexander 1992: 73).
Planning is the deliberate social or organizational activity of developing an optimal strategy of future action to achieve a desired set of goals, for solving novel problems in complex contexts, and attended by the power and intention to commit resources and to act as necessary to implement the chosen strategy (Alexander 1992, p 73). In Uganda, procurement and disposal planning are central to proper procurement management. Public Procurement and Disposal of Public Assets (PPDA) Regulation 96(1) provides that a user department shall prepare a multi-annual, rolling work plan for procurement based on the approved budget, which was submitted to the Procurement and disposal unit to facilitate orderly execution of annual procurement activities.

Kabaj (2003) contends that an efficient public procurement system is vital to the advancement of African countries and is a concrete expression of their national commitments to making the best possible use of public resources. Equally, Kakwezi and Nyeko (2010) argues that the procurement departments of public entities in Uganda are faced with the problem of not having enough information about the procurement procedure, its inputs, outputs, resource consumption and results, and are therefore unable to determine their efficiency and effectiveness. This implies that such a problem requires establishment of clear procurement procedures and performance standards. Performance standards when adopted can provide the decision-makers in the procurement department with unbiased and objective information regarding the performance of the procurement function.

Performance standards when adopted can provide the decision makers in the procurement department with unbiased and objective information regarding the performance of the procurement function. In Uganda, procurement and disposal planning are central to proper procurement management. Public Procurement and Disposal of Public Assets (PPDA) Regulation 96(1) provides that a user department shall prepare a multi-annual, rolling work plan for procurement based on the approved budget, which was submitted to the Procurement and disposal unit to facilitate orderly execution of annual procurement activities.

In Kenya, to manage effectively and more efficiently the procurement process, procuring entities through the existing legal framework are required to firstly consolidate departmental
procurement plans to provide the entity’s corporate procurement plan which before its implementation must get the accounting officer’s approval (PPDA Act, 2005).

Industry Manual, (2008) counsels that a procurement plan is an instrument for implementation of the budget and should be prepared by the user departments with a view to avoiding or minimizing excess votes in the entities’ budgets and to ensure that procurements do not proceed unless there are funds to pay for them. This implies that all procurement plans must be well integrated into the budget process based on the indicative budget as appropriate and in compliance with the procurement law.

Agreeably Mamiro (2010) in his findings underscores these facts and concludes that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement. Similarly, Kakwezi and Nyeko (2010) argue that procurement performance is not usually measured in most PEs as compared with the human resource and finance functions. They conclude in their findings that failure to establish procurement plans of the procurement function can lead to irregular and biased decisions that have costly consequences to any public procuring entity. Therefore, this study was conceived by the limited scientific literature documenting the relationship between procurement performance and factors such Procurement professionalism, financing, stakeholders involvement and adoption of ICT at Machakos County. 

**H1:** Project financing has a significant influence on procurement performance in the Ministry of Health and Emergency Services, Machakos County.

### 2.3.3 Stakeholders Involvement on Procurement Performance

The term stakeholder is used broadly in technology projects to refer to anyone who should have some direct or indirect influence on requirements. It is good practice to allow anyone who sees themselves as a stakeholder to be a stakeholder, but they are often not quite so forthcoming and the difficult problem is how to enroll and effectively engage with stakeholders. Stakeholders are the individuals involved for successful implementation of procurement procedures and ensure efficiency and the effectiveness of procurement performance is achieved.
Smith and Conway (1993) identified seven key success factors which influence procurement, namely; a clear procurement strategy, effective management information and control systems, development of expertise, a role in corporate management, an entrepreneurial and proactive approach, co-ordination and focused efforts. An eighth is fundamental; communicate the key success factors to all levels of the organization and set out a procurement strategy to achieve continuous improvement in value for money. This should be based on total cost, quality, and enhancement of competitiveness of suppliers using best procurement practice.

Supplier performance has an impact on procurement performance. According to Leenders and Fearon (2002), decisions to buy instead of make to improve quality, lower inventories, integrate supplier and buyer systems, and create co-operative relations underline need for good supplier performance. Recent trends are to fewer suppliers; long-term contracts, e-procurement, and continuing improvement in quality, price, and service require closer co-ordination and communication between key procurement partners. Supplier switching for lower prices may not result in the best long-term value. Sharing information and assisting suppliers to improve performance is a necessity for world-class performance.

There is need to have coherent methods of performance in the procurement function in PEs. Lardenoije, van Raaij and van Weele (2005) asserted that basing on financial performance and neglecting non-financial performance cannot improve the procurement operations because only partial performance is considered. Realization of procurement goals is influenced by internal and external forces. Interactions between various elements; professionalism, staffing levels and budget resources, procurement organizational structure, regulations, rules, and guidance, and internal control policies, all need attention and influence procurement performance.

Stakeholder interests could encompass a broad range of issues, such as labor conditions, environmental issues or social responsibility, some of which might be contrary to a firm’s interests (Friedman & Miles, 2006). This touches on Frooman’s (1999) suggestion that stakeholder management could be seen as managing potential conflict stemming from diverging interests. In a related debate on corporate responsibility and citizenship, Waddock (2001) argues that becoming a good corporate citizen means redefining, and achieving, responsible operating practices fully integrated into the entire corporate strategy, planning, management, and decision-making.
making processes. Although such issues are important to achieve a further understanding of stakeholder-oriented management and its applications in business, they do not offer much insight into the relationship between stakeholders and firms. As Frooman (1999) notes, in stakeholder research much attention has already been paid to characterizing stakeholders and considering their aims, leaving influence strategies employed by stakeholders largely unattended. Therefore, he aimed to build a model of stakeholder influence strategies that will address this missing part of stakeholder theory and ultimately enable managers to better understand and manage stakeholder behavior (Frooman 1999).

Top management plays important roles in ensuring that the staffs employed are competent, resources allocations are available, budgets are prepared and adhered to, staffs are taken to training to increase their knowledge and skills. Suppliers also play a very big role in procurement performance by ensuring that they supply in time and according the specifications and their catalogs.

According to Wee (2002) ethics are the moral principles or values that guide officials in all aspects of their work. Ethical behavior encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency (Wee, 2002). Ethical behavior includes avoiding conflicts of interest and not making improper use of an individual's position and is important in public procurement as it involves the expenditure of public money, and is subject to public scrutiny (Wee, 2002). Public officials should always behave ethically and fairly, including in their business undertakings (Wee, 2002). Ethical behavior supports openness and accountability in a procurement process and gives suppliers confidence to participate in the Government marketplace (Göran, S., Greg, W. & Michael C., 2009). Ethical behavior can also reduce the cost of managing risks associated with fraud, theft, corruption, and other improper behavior; and enhance confidence in public administration (Wee, 2002).

An important and effective way to maintain ethics awareness in agencies is to provide training for employees (Amos & Weathington, 2008). Ethics training and seminars can be provided, along with training in more specific areas, such as procurement procedures, record keeping, records management, accountability and administrative law; regular reviews or audits of procurement processes can be done to ensure probity is being
considered and achieved (Amos & Weathington, 2008). Miles and Breen, (2005) argue that providing health facilities with drugs and medical supplies is a complex process involving both the private and public sectors. Governments and health Ministries often lack the management skills required to write technical specifications, supervise competitive bidding, and monitor and evaluate the contract performance (Miles & Breen, 2005).

Although the core theme of national strategy is acquiring goods, services and works at lower cost, the strategy acknowledges that council will also have other drivers which influence procurement such as approaches to support local business by realizing economic, social and environment benefits for their communities through procurement activities in Economic Development Guide, (Daniel Dobson. Mouawad, February 2004). Involvement of community on procurement impacts community on socially and economically like cost reduction, improved standards of living, improved infrastructure and formation of self-help-initiative for planning and implementation of policies. (M. sohail Andrew Cotton, 2000).

\( H_1: \) Stakeholder’s involvement has a significant influence on procurement performance in the Ministry of Health and Emergency Services, Machakos County by a great extent.

2.3.4 Adoption of ICT on Procurement Performance

Various authors define the term technology in a variety of ways. Rogers (1995) uses the words technology and innovation synonymously and defines technology as the design for instrumental action that reduces uncertainty in the cause effect relationship involved in achieving a desired outcome. Perhaps a clearer definition of the term technology can be obtained from the work by Enos and Park (1988) who, in their study of adoption of imported technology defines technology as the general knowledge or information that permits some tasks to be accomplished, some service rendered or some products manufactured. Bonabanawabbi (2002) define technology as the actual application of knowledge.

Government officials and elected leaders have increasingly come to realize that public agencies must utilize. ICT in order to enhance the procurement process in public sector faced with tight budgets. Price Waterhouse Coopers (2011) states that an Internal Control System is a set of procedures, methods and control measures designed by the Board of Directors and executive management to ensure achievement of the organization’s objectives. Amudo & Inanga (2009)
indicate that Internal Control system is a contemporary issue after experiencing global fraudulent financial reporting and accounting scandals. According to Flick (2010), internal control system ensures proper organizational processes functioning, financial information reliability and applicable regulation compliance.

Organizations workforce, today's government agencies are operating in an environment defined by the need to do more with less public authorities are expected to provide excellent service to their constituents in an effective and transparent manner, all the while working under constant resource constraints by adopting ICT (Hagen and Zeed 2005). In order to meet today's operating challenges, regional and local governments are training to ICT to enhance the services for residents, businesses, and visitors, and improve internal inefficiencies by lowering costs and increasing productivity. Public authorities are implementing scalable communication infrastructure to promote economic development, attract new business and residents, and above all provide excellent services to constituents (Abouzeedan and Busler, 2002).

According to Kirungu, (2011) in Kenya manual systems are a source of major inefficiencies in regulation and operations of the function. ICT need to be adopted to ensure proper functioning of the procurement system. This system is a product of the new world order where everybody is going digital with globalization and internal connectivity, there is needed to upscale the function in Kenya.

The old way of doing business consists of buyers managing forecasts and communicating requirements to suppliers via phone, fax, and email. Spreadsheets and manual reports are passed between the trading partners; these manual processes are slow and cumbersome. They cannot support today's demand-driven enterprises.

Supply chain procurement professionals spend too much time putting out fires and reacting to daily problems (Thomson and Jackson 2007). They cannot seem to find the time to develop strategic relationships with suppliers and deploy improved business processes that eliminate shortages.

Accountability is government's obligation to demonstrate effectiveness in carrying out goals and producing the types of services that the public wants and needs (Segal & Summers 2002). Lack of accountability creates opportunities for corruption. Brinkerhoff
(2004) identifies three key components of accountability, including the measurement of goals and results, the justification or explanation of those results to internal or external monitors, and punishment or sanctions for non-performance or corrupt behavior. Strategies to help increase accountability include information systems which measure how inputs are used to produce outputs; watchdog organizations, health boards or other civic organizations to demand explanation of results; performance incentives to reward good performance; and sanctions for poor performance (Hui, W., Othman, R., Omar, N., Rahman, A., and Haron, N., 2011). In South Africa, a district health planning and reporting system was used to improve management control and hold government agents accountable for their decisions. By combining financial and service data, the reporting system drew attention to clinics and programmes that had unusual indicators, and helped officials to explore root causes for performance differences, including possible corruption (Vian & Collins 2006).

ICT is defined as "any technology used to support information gathering, processing, distribution and use" (Beckinsale & Levy, 2004). Public authorities are expected to provide excellent service to their constituents in an effective and transparent manner, all the while working under constant resource constraints by adopting ICT (Hagen, and Zeed, 2005). Public authorities are implementing scalable communication infrastructures to promote economic development, attract new businesses and residents, and above all, provide excellent service to constituents (Abouzeedan and Busler, 2002).

By its very nature the ICT phenomenon is relatively new in the developing world. Available data, suggest that the majority of developing countries such as Kenya in sub-Saharan Africa are lagging behind in the information revolution (Zhao and Frank, 2003).

There is little doubt that sub-Saharan Africa's populations are missing out on the boons of ICT (Bigum, 2000). The BECTA Report (2003) identifies the key barriers to using technology as: Lack of access to appropriate ICT equipment, Lack of time for training, exploration and preparation, Lack of models of good practice in ICT, Negative attitudes towards ICTs in education, Technology anxiety and a lack of confidence, Fear of change and a lack of personal change management skills, Unreliable equipment and Lack of technical, administrative and institutional support.
Collaboration in e-procurement is based on high degree of trust, commitment and information sharing. It requires linking performance systems with decision making, information sharing and incentive alignment in the supply chain. Chopra, Meindl and Dhahran(2007) asserted that ICT provides collaboration platform by allowing customers and suppliers to work together on products design using specialist ICT design tools. Integration allows customers to change their specification and delivery schedules themselves which then automatically reconfigure requirements back in the procurement systems.

\( H_1: \text{Adoption of ICT has a significant influence on procurement performance in the Ministry of Health and Emergency Services, Machakos County by great extent.} \)

2.4 Public Procurement and Disposal Act of Kenya

Principally the Public Procurement and Disposal Act was enacted to, inter alia, to ensure: Public entities get value for money spent on acquisition of goods, works or services; Accountability in the entire procurement process; Transparency in the procurement process and Equity/fairness in the procurement process (PPOA, 2009). In order to promote public access to procurement information, the PPOA had established a website (www.ppoa.go.ke) with the intention of publishing a broad range of information about the procurement system, including legal and policy documents, procurement statistics, and procurement plans, notices, manuals and contract awards (ECI Africa, 2008). As public access to all relevant procurement information is a cornerstone to the development of a transparent procurement system, this should be a key management priority (PPOA, 2007).

As part of an e-procurement drive, the PPOA already was in the process of developing a web-based system for collecting and disseminating procurement information, including tender invitations, requests for proposals, and contract award information for all central government contracts above 5,000,000 KES (PPOA, 2007). The integrity and transparency of a public procurement system rely on a number of control mechanisms, including an effective control and audit system, and effective ethics and anti-corruption measures (PPOA, 2007). The identified factors by PPDA that contribute positively to strengthening the control systems of Kenya’s procurement system in recent years included: Sound internal audit mechanism established and complied with the Internal Auditor General (IAG) procurement
requirement and well-functioning independent complaints review and appeals mechanism has been established (IAG, 2005). The PPDA provides the PPOA with the mandate to inspect and audit procurement contracts, and includes in the functions of the PPOA to monitor the public procurement system and report on the overall functioning (PPDA, 2005). If the workforce is not adequately educated in such matters, this may lead to serious consequences; including, breaches of codes of conduct. World Bank studies put bribery at over $1 million per year accounting for up to 12 percent of the GDP (Gross Domestic Product) of nations like Nigeria, Kenya, Venezuela and Sri Lanka (Nwabuzor, 2005). The main cause of corruption is poverty in these regions is lack of trainings and also a weak enforcement of the rule of law in these regions therefore urgent measures are needed to cope with the corruption in developing nations (Nwabuzor, 2005). A common complaint against the PPDA was that purchasers are not completely clear about the rules. De Boer and Telgen (1998) reported that many procuring entities at the time were simply not familiar with or not fully aware of the legal obligation to follow the rules (legal issues) and the possible exceptions. There is a significant uncertainty over the application of the aggregation rules, both regarding the level at which goods and services should be aggregated and the treatment of discrete operating units within the same public agency (European Commission, 1996)

2.5 Critiques of the Existing Literature

Existing literature has found colossal constraints in the public procurement system. The researcher concluded that without ethics the performance of procurement operations would be negatively affected and pointed out that existing legal framework was an impediment to the performance of operations in the public procurement. He further concluded that integrated ICT systems organize and disclose enormous amounts of information about the workings of the total system. While appreciating his findings, this study notes that the researcher did not employ the personal observation tool so as to gather data especially on ethics and integrity. Analysis of factors such as core technical skills and application of ICT in procurement management are important to overcome some of the constraints

CIPS Australia (2005) presents the difference between efficiency and effectiveness and mentions the importance of timeliness of disbursement of funds to a project’s procurement function. However, the study fails to link aspect to determinants of procurement performance. The
literature above indicates that purchasing efficiency and purchasing effectiveness represent different competences and capabilities for the purchasing function but does not clearly demonstrate the link between this procurement performance and project financing.

Gnerson and Needhan(2006) argue that demonstrated accountability and transparency reduces the likelihood of unethical behavior, reassures the community and instills confidence in all stakeholders concerning the integrity of decisions. This is not the case in Kenya where demonstrated accountability does not always match the reduction of unethical behavior. For instance, recent scandals such as the Anglo-Leasing, security contractors, Maize importation, Free primary Education (FPE) funds, sale of Grand Regency Hotel to Libyan investors without following the due process of law, Triton oil importation scam, sale of Kenya’s Embassy in Japan and many other scandals which relate to corruption in public procurement is worrying (Mars Group, 2011) the Mars group estimates that recent major grand corruption scandals have cost Kenya over Ksh 700bn (£5bn)

It has reached a point where the citizens are frustrated by the corruption and impunity exhibited by state officials in collaboration with other factors who misuse public resources despise the furnishing legal regime with these happenings in the public sector, there is need to establish whether accountability contributes as determinant of the procurement performance. Literature ICT adoption shows that the public procurement systems that support the procurement function (Kramer, Jenkins and Katz, 2007). However this cannot be generalized to all cases for instance in Kenya, where public procurement is not fully ICT compliant, thus it remains unclear how this omission influence procurement function. Literature review shows the importance role of ICS in the management function. An efficiency upheld ICS would mean adherence to the PPDA in Kenya and compliance to the set internal policy guidelines. The Literature however, fails short of ICS effectiveness and its effects on the management of the public procurement in Kenya. This is because past studies have in most cases have been centered in the development world since public procurement is a new concept in developing countries such as Kenya.

Although Leung (2007) has evaluated information sharing on e-procurement, he has not given emphasis on supply chain performance and this need to be investigated; this calls the needs of critically looking at the determinants of procurement performance.
2.6 Conceptual Framework

The study conceptualizes determinants of procurement performance, the dependent variable procurement performance, independent variable which is measured in terms of social demographic factors, Stakeholders, project funding, ICT adoption, Public Procurement and Disposal Act of Kenya.
Conceptual Framework

Independent variable

- Procurement professionalism
  - Staff Competency
  - Communication skills
  - Cost of unethical Behaviors
  - Training and Experience

- Project Financing
  - Inadequate planning
  - Non transparent procurement procedures
  - Poor contract management

- Stakeholders involvement
  - Top management
  - Employees
  - Suppliers
  - Community

- Adoption of ICT
  - Accountability
  - Communication infrastructure
  - Collaboration

Moderating variable

- Public Procurement and disposal Act
- Public Procurement and Oversight Authority

Dependent variable

- Procurement Performance
  - Efficiency
  - Effectiveness

Intervening variable

- Job satisfaction
- Customer satisfaction
Interplay Among Variables

Procurement professionalism, broad and continuous Education, training and professional development should be skill, process oriented and continuous inorder to achieve procurement efficiency and effectiveness. Project financing enhances project development, when project finance is disbursed on time. While late financing or no financing at all leads to stalled and uncompleted projects thus inefficient and ineffective procurement performance. Involvement of stakeholders is also key as it immensely affects procurement performance. Adoption of ICT fosters accountability, transparency and collaboration of supplierÂ’s thus efficient and effective procurement performance.
### 2.7 Summary of Literature Review and Research Gaps

Table 2.1 summary of literature review and research gaps

<table>
<thead>
<tr>
<th>Research by</th>
<th>Focus of the Study</th>
<th>Methodology Used</th>
<th>Findings</th>
<th>Gap in Knowledge</th>
<th>Focus of Current Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kelvin and his group (2013)</td>
<td>Education E-procurement</td>
<td>Descriptive survey</td>
<td>Proper implementation of procurement professionalism, ethical behaviors and procurement automation contribute positively to organization performance</td>
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<td></td>
<td>Ethics</td>
<td>Questionnaire</td>
<td></td>
<td>Staff competency</td>
<td>Staff competency</td>
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<td></td>
<td>Performance in supermarkets</td>
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<td>Cost of unethical procurement procedures</td>
<td>Cost of unethical behaviors</td>
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<tr>
<td>Japheth Ocharo (2013)</td>
<td>Resource Allocation</td>
<td>Descriptive Survey</td>
<td>Resource allocation contribute effective Procurement.</td>
<td>How the procurement process can contribute to improved procurement performance</td>
<td>Project financing:</td>
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<tr>
<td></td>
<td>Questionnaire</td>
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<tr>
<td>Waddock (2001)</td>
<td>Stakeholders Management</td>
<td>Descriptive Survey</td>
<td>Defining and achieving responsible integrated corporate strategy, planning management and decision making process</td>
<td>Relationship between stakeholders and the firm,</td>
<td>Stakeholders involvement on procurement performance</td>
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<tr>
<td></td>
<td>Questionnaire</td>
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<tr>
<td>ArbeBashona</td>
<td>ICT adoption</td>
<td>Qualitative Survey</td>
<td>Inadequate financing influences procurement function to a very great extent by all the outlined aspects of project funding</td>
<td>How procurement contribute to improved procurement performance</td>
<td>Accountability</td>
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<tr>
<td></td>
<td>Internal control systems</td>
<td>Questionnaire</td>
<td></td>
<td></td>
<td>Communication infrastructure</td>
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<td></td>
<td>Integrity</td>
<td></td>
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<td>Collaboration</td>
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<td>Security</td>
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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodologies, procedures that was used in data collection and analysis. Discussed in details are the research design, target population of the study, sample size sampling procedures, data collection methods and instruments, validity of research instruments, reliability of research instruments, methods of data analysis, operational definition of variables and ethical issues considerations.

3.2 Research Design

A questionnaire was used for data collection since it is cheap, unbiased and able to collect large amounts of data. The descriptive survey generated both qualitative and quantitative data from the research objectives. Qualitative and quantitative data analysis was done to determine the relationship between the independent and dependent variables. The descriptive research design involved selection of a sample from the population to be studied. This design facilitated the collection of enormous data within a short time with minimal financial constraints.

3.3 Target Population

The target population of the study was procurement unit which has a work force of 120 procurement officers from level 5 hospital, level 4 hospital, level 3 hospital, level 2 hospitals, Community hospital and health centres under the Ministry of Health and Emergency services, Machakos County. The sample size was selected using stratified random sampling from various sub-departments in the Ministry where 36 procurement officers which is 30% of the target population. Mugenda and Mugenda(2003) states that a good sample size should be 30% of the target population. The study targeted all procurement officers because they are in a strategic position to provide information sought. The table 3.1 shows the target population per department.
Table 3:1 Target Population per Department

<table>
<thead>
<tr>
<th>Department</th>
<th>Population</th>
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<tbody>
<tr>
<td>Administration</td>
<td>18</td>
</tr>
<tr>
<td>Human resource</td>
<td>12</td>
</tr>
<tr>
<td>Registry</td>
<td>14</td>
</tr>
<tr>
<td>Accounts</td>
<td>10</td>
</tr>
<tr>
<td>Procurement</td>
<td>9</td>
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<tr>
<td>Audit</td>
<td>8</td>
</tr>
<tr>
<td>Information Technology</td>
<td>10</td>
</tr>
<tr>
<td>Maintenance</td>
<td>14</td>
</tr>
<tr>
<td>Transport</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
</tr>
</tbody>
</table>

3.4 Sampling Procedure and Sample Size

Sampling is the process of selecting a group of subjects of study in such a way that the individuals represent the larger group from which they were selected. (Gay 1987). In this study, stratified sampling method was used to obtain a sample of the respondents. This technique was ideal because it gave the respondents at all levels in the organization an equal opportunity to participate in the study without bias (Kothari, 2004). This method justified for this research because it allowed equal chance for all procurement staff from all levels within the department to participate equally as they were selected randomly from each sub-department within the whole organization. Neuman (2003). Argues that the main factor considered in determining the sample size is the need to keep it manageable. The choice for this technique enable the researcher to derive detailed data on an affordable cost in terms of time finances and human resource (Mugenda & Mugenda, 2003). The selection criteria was based on the number of staffs per department within the ministry and in this study they were 36.
Table 3.2: Sample Size

Target Population, Sample Size and Percentage

<table>
<thead>
<tr>
<th>Department</th>
<th>Population</th>
<th>Sample Size</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>18</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Human resource</td>
<td>12</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Registry</td>
<td>14</td>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>Procurement</td>
<td>10</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Audit</td>
<td>9</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Information Technology</td>
<td>8</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Maintenance</td>
<td>14</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Transport</td>
<td>25</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>36</td>
<td>100</td>
</tr>
</tbody>
</table>

3.5 Data Collection Methods

This is the process of gathering and measuring information on variables of interest. In our study data collection methods was used to help answer the stated research questions, test hypotheses and evaluate the outcomes. The researcher used Primary and Secondary data collection methods.

3.5.1 Data Collection Primary

The study used questionnaires to collect the data. The questionnaires consisted of structured questions, unstructured questions and likert rating scales relating to the field of inquiry with spaces provided for selection of choices. Close ended questions have the advantage of collecting viable data while open ended questions allowed the respondents freedom of answering questions and the chance to providing in depth responses (Mugenda & Mugenda, 2003).Questionnaire was preferred because it is efficient, cheap and easy to be administered. The questionnaires were
administered through drop and pick method respondents with a brief explanation on their purpose and importance.

3.5.2 Secondary Data Collection

Secondary data was obtained from relevant literature review from studies, Academic journals, Magazines, books, Periodicals, Brochures and the County Audit Report and Website.

3.6 Pilot Study

According to Sekaran (2003) a pilot study is necessary for testing the reliability of data collection instrument. Pilot study is thus conducted to test weaknesses in design and instruments to provide proxy data for selection of a sample. Reliability refers to the consistency of measure. A test is considered reliable if the same result is got repeated (Cooper and Swindler, 2003). This pilot study was done by selecting Five respondents from the population and issuing them with the questionnaire. The data obtained was evaluated to ensure that questions were properly answered. However the findings from the pilot study were not included in the final results.

3.6.1 Validity of the Research instruments

Validity of an instrument is now accurate the instrument is in obtaining the data it intends to collect (Mugenda & Mugenda) 2003. Validity indicates the degree to which the instrument measures what it is supposed to measure (Kothari, 2004). To ensure precision, relevance and content Validity of the instrument, the questionnaire was subject to critical evaluation by the researcher and the supervisor. Discussion was held with peers and professional experts in procurement department who went through instruments to evaluate if it contained representative sample.

3.6.2 Reliability of the Research instruments

To measure the consistency of the scores obtained and how consistence they were for each individual from one administration of an instrument to another; the study used Cronbach’s alpha method (A measure of internal consistency of the questionnaire items) using data from all the respondents. Separate reliability tests for each of the variables were computed. The key statistics
in interpreting the reliability scale was alpha listed under the reliability coefficient section at the end of output. The value coefficient alpha ranges from zero (no internal consistency) to one (complete internal consistency). As to how large the coefficient should be a value of not less than 0.70 as a quick rule was used. As shown all the measurement of instrument attained a high degree of reliability since they were above 0.70. The used multiple items in constructs and so the internal consistency method was applied in the study. Hair et al (2007) mentioned the rationale for the internal consistency is that the individual items or indicators of the scale should all be measuring the same construct and thus be highly intercorrelated. The measurement scales for this variables in this study were based on 5-Point likert scale ranging from “strongly agree” to “strongly disagree”

3.7 Data Collection Procedure

The researcher obtained an introductory letter from the University of Nairobi and a research permit from the National Commission for Science, Technology and Innovation (NACOSTI) before embarking on data collection exercise. The documents were presented to the respondents together with transmittal and assurance of observing ethical in research given to the respondents before administration of the questionnaire. The researcher sought rapport of the management of Ministry of Health and Emergency Services, Machakos County.

3.8 Data Analysis

According to Marshall and Ross man (1999), data analysis is the process of bringing order structure and interpretation to the mass of collected data. It involves the coding, editing and cleaning of data in preparation for processing. The completed questionnaires were received, checked for completeness and edited for correctness; Descriptive statistics was used to analyze the data in this study with SPSS version 20 was as well employed for data analysis.

3.8.1 Qualitative Analysis

The qualitative data generated from the study guide were categorized in themes in accordance with research objectives and reported in narrative form along with quantitative data.
3.8.2 Quantitative Analysis

Quantitative data was analyzed through the use of frequency distribution and percentages. These analyses were used to address specific objectives 1 to 1V with the help of statistical package for social science version 20. Hypothesis were analyzed using correlation and regression analysis in excel. The findings were presented in form of frequency distribution, tables, bar chart and pie chart. The data was summarized according to the specific objectives.

3.9 Operational Definition of Variables

Operationalization of Variables is given in Table 3.3

Table 3.3: Operationalization Table

<table>
<thead>
<tr>
<th>Objective</th>
<th>Variable</th>
<th>Indicators</th>
<th>Measurement</th>
<th>Scale</th>
<th>Data collection</th>
<th>Data analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>To establish the extent to which procurement professionalism influence procurement performance.</td>
<td>Independent Procurement professionalism</td>
<td>Level of education</td>
<td>o-level, graduate, post graduate</td>
<td>Ratio</td>
<td>Survey</td>
<td>Descriptive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Position held</td>
<td>Top level, middle level, operational level</td>
<td>Nominal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Terms of Employment</td>
<td>Permanent Temporary Casual</td>
<td>Ordinal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To determine the extent to which project financing influences</td>
<td>Independent, Project financing</td>
<td>Inadequate Planning</td>
<td>Good, bad, poor</td>
<td>Ordinal</td>
<td>Survey</td>
<td>Descriptive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non transparent procedures</td>
<td>Poor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement performance in Machakos County.</td>
<td>Poor contract management</td>
<td>Good, Poor</td>
<td>Ordinal</td>
<td>Survey</td>
<td>Descriptive</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>--------------------------</td>
<td>-----------</td>
<td>---------</td>
<td>--------</td>
<td>-------------</td>
<td></td>
</tr>
<tr>
<td>To determine the extent to which stakeholders involvement influence procurement performance in Machakos County.</td>
<td>Independent Stakeholders involvement</td>
<td>Top management</td>
<td>Good, Bad, Poor</td>
<td>Ordinal</td>
<td>Survey</td>
<td>Descriptive</td>
</tr>
<tr>
<td></td>
<td>Suppliers</td>
<td>Bad, poor, good Poor, Good, Bad</td>
<td>Ordinal</td>
<td>Ordinal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employees</td>
<td>Good, Bad, Poor</td>
<td>Ordinal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Community</td>
<td></td>
<td></td>
<td>Ordinal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To determine the extent to which adoption of ICT and influences the level of procurement performance in Machakos County.</td>
<td>Independent variable adoption of ICT</td>
<td>Accountability</td>
<td>Good, Bad</td>
<td>Ordinal</td>
<td>Survey</td>
<td>Descriptive</td>
</tr>
<tr>
<td></td>
<td>Communication</td>
<td>Bad</td>
<td>Ordinal</td>
<td>Ordinal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Infrastructure</td>
<td>Poor</td>
<td>Ordinal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Collaboration</td>
<td></td>
<td></td>
<td>Ordinal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moderating variable</td>
<td>Public Procurement and Disposal Act</td>
<td>Government policy</td>
<td>Ordinal</td>
<td>Survey</td>
<td>Qualitative</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependent Procurement performance.</td>
<td>Efficiency Effectiveness</td>
<td>Amount of work</td>
<td>Ordinal</td>
<td>Survey</td>
<td>Quantitative</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypotheses</td>
<td>Significant on procurement performance</td>
<td>Level of significance, rate</td>
<td>Ordinal</td>
<td>Survey</td>
<td>Quantitative</td>
<td></td>
</tr>
</tbody>
</table>
3.10 Ethical Considerations

While conducting the study, the researcher observed ethical issues. This was achieved by the research seeking for approval and authority to carry out research from the University of Nairobi and from National Commission for science, technology and Innovation (NACOSTI) before embarking on the research. During the designing of the questionnaires care was taken not to ask offensive or sensitive personal information from the respondents. The researcher made prior arrangements and booked appointments with the respondents to avoid inconveniencing them.

The researcher explained to the respondents the nature and purpose of the research and that no financial benefits will be received by the respondents for participation in the study. The researcher assured the respondents anonymity that information given will be treated with a lot of professionalism, confidentiality and was for the purpose of the study only. The researcher sought the respondent’s approval to participate in the study before issuing the questionnaires and gave them the option to withdraw from the study at any point during the study.
CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter presents analysis done in relation to the study objectives and research questions. The first part deals with descriptive analysis of responses while the second part is devoted to inferential statistics.

4.1.1 Response Rate

Thirty six questionnaires were issued to the study participants, out of whom 28 were received back, representing (78%) response rate and 8 were not received back representing (22%) response rate. Hagger et al (2003) proposed that researcher should strive to achieve a response rate of 50%, 60% or 75%

Table 4.1 Questionnaires Received and not received Back

| Questionnaires received back | 78% |
| Questionnaires not received back | 22% |
4.2.1 The Gender Respondent

The study sought to establish the gender of the respondents, the results showed that majority of the respondents were male at 75% while female were 25%.

Table 4.2 showing Gender Respondent

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>75</td>
</tr>
<tr>
<td>Female</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

The respondents were asked to show their gender, this was expected to guide the researcher on the conclusions regarding the degree of congruence of responses with the gender characteristics on the influence of procurement determinants on procurement performance. This indicates that majority of the staff working in the ministry were male. More men have specialized in the field of procurement.

4.2.3 Age Bracket of the Respondents

The study sought to establish the age of the respondents and the study results revealed that 50% of the respondents were aged between 36 and 45 years, 29% of the respondents indicated that they were aged between 26 and 35 years while 21% of the respondents indicated that were aged between 46 and 55 years and none of them was Above 55 years.

Table 4.3 shows rate of age respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>26-35 years</td>
<td>29</td>
</tr>
<tr>
<td>36-45 years</td>
<td>50</td>
</tr>
<tr>
<td>45-55 years</td>
<td>21</td>
</tr>
<tr>
<td>Above 55 years</td>
<td>0</td>
</tr>
</tbody>
</table>
These findings indicate that majority of the employees in Ministry of Health and Emergency Services are middle aged and elderly. This implies that these are experienced employees who could have given the relevant information to the study area.

**4.2.4 Terms of Employment**

The study sought to establish the terms of employment of the respondents and results revealed that 80% of the respondents were in permanent employment, 15% had been employed in contract while 5% had been employed on temporary basis.

**Table : 4.4 Terms of Employment**

<table>
<thead>
<tr>
<th>Terms of Employment</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>80</td>
</tr>
<tr>
<td>Contract</td>
<td>15</td>
</tr>
<tr>
<td>Casual/Temporary</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

These findings indicate that majority of the respondents had been employed on permanent basis in the Ministry of Health and Emergency Services, therefore they were in a better position to understand the need of the study and were in a position to give appropriate information for the study.

**4.2.5 Highest Attained Educational Level**

The respondents were asked to show their highest attained education level. The study revealed that majority of the respondents 58% working in the Ministry had attained their education up to degree level, while 14% had attained their education up to post graduate level, 18% of the respondents had achieved diploma level and 10% were o-level.
Table 4.5 Highest Attained Education Level

<table>
<thead>
<tr>
<th>Level</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>O-Level</td>
<td>10</td>
</tr>
<tr>
<td>Diploma level</td>
<td>18</td>
</tr>
<tr>
<td>Degree level</td>
<td>58</td>
</tr>
<tr>
<td>Post graduate</td>
<td>14</td>
</tr>
</tbody>
</table>

This means that majority of those working in the organization had attained education up to university level and had gained rich information and they were conversant with the process, therefore they were appropriate for responding to our study questions.

4.2.6 Position of Respondents

The study sought to establish the position the respondents hold in the Ministry of Health and Emergency Services and the results revealed that 9% of the respondents were Top Managers, 12% Middle level managers, 25% supervisors, 54% were operatives while 2% of the respondents did not disclose their job levels in the Ministry.

Table 4.6 Respondents position held in the Ministry

<table>
<thead>
<tr>
<th>Level</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Level Managers</td>
<td>10</td>
</tr>
<tr>
<td>Middle Level Managers</td>
<td>15</td>
</tr>
<tr>
<td>Supervisory Level</td>
<td>23</td>
</tr>
<tr>
<td>Operational Level</td>
<td>50</td>
</tr>
<tr>
<td>Missing Value</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

These findings implied that the respondents were in a better position of providing the information sought in this study as being in top management level they know the challenges the
ministry faces and also the middle and operational levels are also aware of the challenges faced by the Ministry on procurement performance.

4.2 Procurement Professionalism on Procurement Performance

The findings revealed that 22 of the respondents (79%) had relevant and necessary skills and knowledge required on procurement performance, while 6 of the respondents (21%) said that they did not have necessary skills and knowledge required on procurement performance, while 11 of the respondents (40%) indicated they had degree in procurement and contract management and practiced for three years, while 8 of the respondent (30%) revealed that they had degree in purchasing and supplies and had practiced for five years, while 6 of the respondents (20%) revealed that they had diploma in purchasing and practiced for one and half years and 3 of the respondents (10%) indicated that they were o-level. This implied that the ministry was in a better position to have efficient and effective procurement performance since most of the procurement staff had relevant skills and knowledge required. This findings concurs with the study carried out by Kiplagat (2010) that skills and knowledge is very key to organization performance.

<table>
<thead>
<tr>
<th>Table 4.7 Level of Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of Education</td>
</tr>
<tr>
<td>O-level</td>
</tr>
<tr>
<td>Diploma</td>
</tr>
<tr>
<td>Degree</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

The study sought to find out if the staffs are taken workshops to improve their skills and knowledge. The findings revealed that 17 of the respondents (60%) revealed that indeed they are taken frequently to workshops, while 8 of the respondents (30%) revealed that they rarely taken workshops to improve their skills and knowledge while 3 of the respondent (10%) indicated that they are not at all taken to workshops to improve their skills and knowledge. This study concurs with Ethics training and seminars can be provided, along with training in more specific areas, such as procurement procedures, record keeping, records management, accountability
and administrative law; regular reviews or audits of procurement processes can be done to ensure probity is being considered and achieved (Amos & Weathington, 2008).

This study sought to find out the level of agreement on the given statements and the findings revealed that 11 of the respondents (39%) that lack of training and failure to get experience staff influences procurement performance by very great extent while 17 of the respondents (61%) stated that staff competency and lack of key competencies influence procurement performance by great extent. This implies that lack of training, staff competency, key competencies and failure to get experienced staff influences procurement performance by great extent. This finding of the study concurs with the study by (Armstrong & Baron, 1995).

This study sought to find out what measures the ministry has put in place to prevent unethical behaviors. The findings revealed that 6 of the respondents (21%) agreed that ministry has put management responsibility by setting high standards of integrity, while 7 of the respondents (25%) disagreed that there are organizational procedures to prevent fraud and corruption like data security, while 15 of the respondents (46%) strongly disagreed that there are accounting controls like segregation of duties, procurement controls and code of ethics put in place in the Ministry. This implied that there are no measures put in place to prevent unethical behaviors thus causing inefficient and ineffective procurement performance. This study concurred with the study carried out by Kiyo Mwenda Muchiri, 2011.

The study sought to find out the influence of procurement officer unethical behaviors on procurement performance. The findings revealed that 24 of the respondents (87%) unethical behaviors of procurement officers leads to high cost of acquisition of goods, services and works by very great extent, while 3 of the respondents (10%) influenced procurement performance by very low extent in terms of openness, accountability and cost reduction of managing risks, while 1 of the respondents (3%) indicated that procurement unethical behaviors influenced procurement performance at low extent in terms of building supplier confidence on government market place and avoidance of staff conflict of interest. This implied that procurement unethical behavior leads to high cost of acquisition of goods, services and works acquired for the organization.
4.3 Project Financing on Procurement Performance

The study sought out to find out whether Ministry of Health and Emergency Services prepared Procurement Plan. The findings revealed that 19 of the respondents (68%) indicated that they indeed prepared procurement plan annually, while 9 of the respondents (32%) indicated that they prepared procurement plan bi-annually. The study also sought to find out the manner in which procurement plan was done and 24 of the respondents (86%) revealed that the procurement plan was prepared in a participatory manner, while 4 of the respondents (14%) revealed that some individuals are involved in formulation of procurement plan. This implied that, in the Ministry of Health and Emergency Services, Machakos, Kenya formulated procurement in a participatory manner. This study concurs with the findings of Kakwezi and Nyeko,(2010).

This study sought to find out the extent to which project finance influenced procurement performance on the statements given. The findings revealed that 12 of the respondents (42%) revealed that delay in starting of projects and uncompleted projects influenced procurement performance by great extent, while 8 of the respondent (29%) indicated that project finance lead to completed project by very low extent, while 8 of the respondents (29%) indicated that delay in planning influenced procurement performance by Moderate extent. This implies that delay in disbursement of funds leads to delay in starting projects and uncompleted project by great extent. This findings concurs with the study done by World Bank,(1996).

This study sought to find out causes of uncompleted projects within Ministry. Majority of the respondents 17 (62%) strongly agreed that uncompleted projects are caused by lack of funds, expertise and delay in disbursement of funds, while 11 of the respondents (39%) agreed that uncompleted projects are caused by poor supervision and inadequate planning. This implied that uncompleted projects are as a result of lack of funds, expertise and inadequate planning. This study concurred with the study carried out by World Bank,(1996).

This study sought to find out how Procurement Plan influenced Procurement Performance. Majority of the respondents 14(50%) strongly agreed that procurement plan influenced procurement performance as it helps in planning and budgeting, provides focus for efficient utilization of resources, enhances transparency and predictability of procurement process, while 6 of the respondents (20%) agreed that procurement plan influenced procurement performance as
it lists all requirements expected to be procured over a period of time and this helps to stick to the budget, while 5 of the respondents (18%) strongly disagreed that procurement plans allows consolidation of similar requirements under one contract, while 3 of the respondents (12%) disagreed that procurement plans allows monitoring and evaluation of procurement process, compares and allows adjustments of procurement plan. This implied majority of the respondents agreed that procurement plan influenced procurement performance. This study concurred with the study carried out by World Bank(2002).

**Figure 2: Procurement plan on Procurement performance**

The study sought to find out the level of agreement on contract management and how it influences procurement performance. The findings revealed that 12 of the respondents (43%) strongly agreed that delays in payments to suppliers leads to delays in service delivery, project are monitored by the users and that progress reports are not filed with the management, while 10 of the respondents (36%) disagreed that there are internal control mechanisms before payments of contracts, Timeliness is observed and that work plans and contract terms are adhered to, while 6 of the respondents (21%) were neutral on internal mechanisms before payment of contract. This implied that majority of the respondents strongly agreed that delay in payment of suppliers
leads to delay in service delivery, also projects are monitored by users and that there is no progress report filed with the management.

This study sought to find out if there are procedures followed when it comes to contract management based the statements given. The study revealed that 12 of the respondents (43%) strongly disagreed that there was adequate governance/oversight exists over procurement contract management, employees are provided with necessary tools and training to support their procurement and contract management responsibilities and appropriate sourcing is undertaken and documented as appropriate, while 9 of the respondents (32%) agreed that procurement and contracting needs are identified in a coordinated and timely manner, payments are made only for services received and in accordance with contract terms and conditions and in the appropriate period, while 5 of the respondents (18%) indicated that they are provided with necessary tools and trainings to support their procurement and contract management, while 2 of the respondents (7%) strongly agreed on adequate governance/oversight exists over procurement contract management and payment are made only for services received in accordance with the contract terms and conditions in the appropriate period. This implied that in the Ministry there was no adequate governance/oversight exists over procurement contract management, employees are not provided with necessary tools and training to support their procurement and contract management responsibilities and appropriate sourcing is not undertaken and documented as appropriate.

4.4 Stakeholders Involvement on Procurement Performance

The study sought to find out the level of agreement on top management involvement on Procurement Performance in the Ministry from the statement given. The findings revealed that 18 of the respondents (63%) strongly agreed that that top management involvement ensured competent staff are employed and that staffs are taken training thus improved service delivery, while 4 of the respondents (15%) agreed that budgets are prepared and adhered to, while 3 of the respondents (9%) agreed resources are available and that there was effective decision making in the Ministry, while 4 of the respondents (13%) were neutral. This implied that in the Ministry of Health and Emergency Services it has competent staffs, staffs are taken to training, budgets are prepared and adhered to, resources are available and there is effective decision making. This concurred with the study by (Frooma, 1999).
The study sought to find out procurement officer's ethic and how it contributes to efficient and effective procurement performance. The finding revealed 13 of the respondents (48%) indicated that procurement officers ethics led to suppliers confidence to participate in government market place, reduced cost of managing risks and promoted openness and accountability by great extent, while 6 of the respondents (20%) indicated that staffs are to avoid conflict of interest and promote openness and accountability by very great extent, while 5 of the respondents (18%) indicated making use of individual position contributed by moderate extent, while 4 of the respondents (14%) revealed that reduced cost of managing risks was by low extent. This implied that procurement staffs ethics has contributed to efficient and effective procurement performance by great extent. This study concurred with the study carried out by (weele,2002).

The study sought to find out the kind of relationship that exists between suppliers and top management based from the given statement. The finding revealed that 16 of the respondents (57%) indicated that there was a good relationship between the suppliers and the top management contributed by suppliers supplying in time, paying suppliers on time and adherence of specifications, while 6 of the respondents (23%) revealed that there was a poor relationship due to delay of paying suppliers, while 6 of the respondents (20%) indicated there was a strained relationship between the suppliers and top management due to poor awarding of tenders. This implied that there was a good relationship between suppliers and top management in the Ministry of Health and Emergence Services. This study concurred with the study carried out by leenders and fearon (2002).

This study sought to find out community involvement and how it influences Procurement Performance. The findings revealed that 24 of the respondents (84%) indicated that they indeed involved community on procurement performance while 4 of the respondents (16%) indicated they are not aware. This implied that in Ministry of Health and Emergence Services they do involve community on Procurement Performance. This study concurred with the study carried out in the Economic Development Guide February 2004 by (David Dobson Mouawaad,2004)

This study sought to find out benefits accrued in involving community on Procurement Performance. The findings revealed that 17 of the respondents (62%) strongly agreed that by involving community on procurement performance, they enjoy sourcing locally at reduced cost of acquiring goods, services and works, improved standard of living of the locals, improved
infrastructure and self-help initiative were formed while 11 of the respondents (38%) disagreed that revenue increased, crime reduced and it has promoted fairness. This implied that by involving community on procurement performance cost of acquiring goods reduced by great extent, standard of living improved and also infrastructure. This concurred with the study carried out by (M, sohail, Andrew cotton, 2000).

4.5 The Extent to which Adoption of ICT Influences Procurement Performance.

The study sought out to find the influence of ICT on Procurement Performance in Ministry of Health and Emergence Services. The findings revealed that 16 of the respondents (56%) indicated that through adoption of ICT there was reduction of purchasing cycle time, flexibility, e-procurement, electronic data interchange and Emails influenced procurement performance at a very low extent, while 8 of the respondents (30%) indicated that adoption of ICT has led to information reliability and cost reduction at moderate extent and 4 of the respondents (14%) indicated that e-procurement, electronic data interchange and email influenced procurement performance at a low extent and this was due to complexity of nature of Services offered in the Ministry. This implied that in the Ministry of Health and Emergence Services adoption of ICT influenced procurement performance at a low extent. This study did not concur with the study carried out by (Abouzeedan and Busler, 2002) and also (Kirungu, 2011).

The study sought to find out the level in which accountability influenced procurement performance. Majority of the respondents 27 (95%) strongly agreed that accountability is governments obligation to demonstrate effectiveness in carrying out goals and producing the types of services that the public wants and needs, lack of accountability creates opportunities for corruption, high amounts of discretion without adequate controls can create opportunities for corruption, measurement of goals and results influence procurement performance, Government officials use discretion to license and accredit facilities, provide services and products, opening risk of abuse of power and resource and use of resources justification or explanation of goals and results to internal or external monitors influence procurement performance, punishment or sanctions for non-performance or corrupt behavior influence procurement performance, while 1 (5%) was neutral. This implied that all the statement given influenced procurement performance.
The study sought to find out the influence of adoption of ICT on procurement performance. Majority of the respondents 22 (79%) strongly agreed that public authorities are expected to provide excellent service to their constituents in an effective and transparent manner aided by ICT, adoption of IFMIS will improve the procurement process, while 17 of the respondents (61%) agreed that public are implementing scalable communication infrastructures to promote economic development, in order to meet today’s operating challenges, regional and local governments are turning to ICT to enhance the service by lowering costs and increasing productivity, while 11 of the respondents (39%) strongly disagreed that African nations are lagging severely in ICT adoptions despite the benefits from ICT experienced by others and 6 of the respondents (21%) neutral that computer literacy is key to staff handling procurement matters. This implied that majority of the respondents agreed that public authorities are expected to provide excellent services to their constituents in an effective and transparent manner aided by ICT, adoption of IFMIS will improve the procurement process, public are implementing scalable communication infrastructures to promote economic development, in order to meet today’s operating challenges, regional and local governments are turning to ICT to enhance the service by lowering costs and increasing productivity.

This study sought to find out collaboration of e-procurement and how it has influenced procurement performance. The findings revealed that 12 of the respondents (50%) agreed that information sharing and channel relations influenced procurement performance, while 7 of the respondents (26%) strongly disagreed that collaboration led to organization development. This implied that collaboration of e-procurement influences procurement performance though information sharing, channel relationships and organization development. This study concurred with the study carried out by Heide and John (2009) and Simatupang and Sridharan (2005) on collaboration in e-procurement.
This study sought out to find out the extent to which ICT supplier relationship influenced Procurement Performance. The finding revealed that 9 of the respondents (33%) indicated that good governance and internet control application of supplier relationship influenced procurement performance by great extent, while 8 of the respondents (27%) indicated that good governance and reduced transaction cost management by very great extent, while 7 of the respondents (25%) indicated that e-procurement supplier relationship reduced cost by great extent, while 4 of the respondents (15%) indicated that internet control application influenced procurement by low extent. This implied that e-procurement supplier relationship influenced procurement by great extent by good governance, electronic data interchange and transaction cost management. This study concurred with the study carried out by Simatupang and Sridharan (2005) and also Heide and John (2009) and Krause (2006).

The study sought to find out the factors hindering full automation of ICT in the Ministry of Health and Emergence Services. The results revealed that 16 of the respondents (58%) strongly agreed that high cost of implementing ICT and inadequate e-procurement solutions hindered ICT full automation, 7 of the respondents (25%) disagreed that lack of top management support hindered, while 5 of the respondents (17%) strongly disagreed that lack of skilled personnel hindered full ICT automation in the Ministry. This implies that high cost of implementing ICT and inadequate e-procurement solutions hindered ICT full automation in the Ministry. This concurred with the study carried out by (World Bank, 2002).

4.6 Inferential Analysis

The inferential analysis was used in this study to determine if there was a relationship between the variables as well as the strength of that relationship. The inferential statistics analysis aimed to reach a conclusion that extend beyond the immediate data alone between the dependent and independent variables in this study (procurement professionalism, project financing, stakeholders involvement and Adoption of ICT)
4.6.1 Regression Analysis

A regression analysis of the model was done with independent variables being procurement professionalism ($X_1$), project financing ($X_2$), stakeholder’s involvement ($X_3$) and Adoption of ICT ($X_4$) while the dependent variable ($Y$) was procurement performance at Ministry of Health and Emergency Services.

Table 4.8 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R square</th>
<th>Adjusted R square</th>
<th>Std error of estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.709</td>
<td>.876</td>
<td>.839</td>
<td>.634</td>
</tr>
</tbody>
</table>

a. Predictor: (Constant), procurement professionalism, project financing, stakeholders involvement, Adoption of ICT

The results shows that 83.9% of the variability in the procurement performance at Ministry of Health and Emergency Services, Machakos County, Kenya is explained by procurement professionalism, project financing, stakeholders involvement and adoption of ICT.

Table 4.9 ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>sum of square</th>
<th>df</th>
<th>Mean square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2.535</td>
<td>2</td>
<td>1.269</td>
<td>5.456</td>
<td>0.25</td>
</tr>
<tr>
<td>Residual</td>
<td>9.308</td>
<td>39</td>
<td>2.328</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3.466</td>
<td>41</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The F critical at 5% significance level was 3.24 since F calculated is greater than the F critical (value =5.455), this shows that the overall model was significant. From table 4.6, the significance value is 0.25 which is less than the 0.05 thus the model is statistically significance in predicting how procurement professionalism, project financing, stakeholder’s involvement and Adoption of ICT influence procurement performance at the Ministry of Health and Emergence Services.
4.6.2 Coefficient of Determination

Explains the extent in which dependent variable can be explained by the change in independent variables.

<table>
<thead>
<tr>
<th>Model</th>
<th>unstandardized coeff</th>
<th>standardized coeff</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>3.026</td>
<td>.733</td>
<td>2.127</td>
<td>.000</td>
</tr>
<tr>
<td>Procurement Performance</td>
<td>.269</td>
<td>.225</td>
<td>.202</td>
<td>3.081</td>
</tr>
<tr>
<td>Project Financing</td>
<td>.172</td>
<td>.155</td>
<td>.147</td>
<td>2.578</td>
</tr>
<tr>
<td>Stakeholders Involvement</td>
<td>.201</td>
<td>.222</td>
<td>.016</td>
<td>2.960</td>
</tr>
<tr>
<td>Adoption of ICT</td>
<td>.233</td>
<td>.153</td>
<td>.232</td>
<td>3.229</td>
</tr>
</tbody>
</table>

The conducted multiple regression analysis to determine the relationship between independent variables and dependent variable. The regression equation was:

\[ Y = a + 0.269x_1 + 0.172x_2 + 0.201x_3 + 0.233x_4 - 3.026 \]

Where: \( Y = \text{Dependent (procurement performance)} \)

\( a = \text{Constant value of dependent variable} \)

\( X_1 = \text{Independent variable procurement professionalism} \)

\( X_2 = \text{Independent variable project financing} \)

\( X_3 = \text{Independent variable stakeholders involvement} \)

\( X_4 = \text{Independent variable Adoption of ICT} \)

According to the regression equation established, taking all determinants into account (procurement professionalism, project financing, stakeholders involvement and Adoption of ICT, etc.) ...
ICT) constant at zero, a unit increase in procurement performance will lead to a 0.269 increase in procurement performance, a unit increase in project financing will lead to a 0.179 increase in procurement performance, a unit increase in stakeholders involvement will lead to 0.201 increase in procurement performance and a unit increase in adoption of ICT will lead to 0.233 increase in procurement performance, hence the most significant determinant is procurement professionalism.

4.6.3 Spearman’s Rank Correlation Coefficient

Spearman’s rank correlation coefficient is used to quantify the strength of the relationship between the variables. The researcher used spearman’s coefficient of correlation (p) to study the correlation of the study.

**Table 4.11 Correlation coefficient of the model**

<table>
<thead>
<tr>
<th></th>
<th>Procurement performance</th>
<th>Procurement professionalism</th>
<th>Project financing</th>
<th>Stakeholders involvement</th>
<th>Adoption of ICT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement performance</td>
<td>1</td>
<td>0.269</td>
<td>.196</td>
<td>.129</td>
<td>.230</td>
</tr>
<tr>
<td>Sig.( 2-tailed)</td>
<td></td>
<td>0.060</td>
<td>.173</td>
<td>.928</td>
<td>.109</td>
</tr>
<tr>
<td>Procurement professionalism</td>
<td></td>
<td>1</td>
<td>.182</td>
<td>.479</td>
<td>.259</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td></td>
<td></td>
<td>.204</td>
<td>.021</td>
<td>.069</td>
</tr>
<tr>
<td>Project financing</td>
<td></td>
<td>1</td>
<td>.272</td>
<td>.439</td>
<td>.001</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td></td>
<td></td>
<td>.057</td>
<td>.239</td>
<td>.095</td>
</tr>
<tr>
<td>Stakeholders involvement</td>
<td></td>
<td></td>
<td>1</td>
<td>.239</td>
<td></td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td>.095</td>
<td></td>
</tr>
<tr>
<td>Adoption of ICT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There was a significant correlation between procurement performance and procurement professionalism with a correlation figure of 0.269, it was clear that there was a significant correlation between procurement performance and project financing as shown by the figure of
0.196, it was also clear that there was a significant correlation between the procurement performance and stakeholders involvement with a correlation figure of 0.129, it was also clear that there was a significant correlation between procurement performance and adoption of ICT with a correlation figure of 0.231. This implied that in the Ministry of Health and Emergency Services there was a significant correlation between procurement performance and procurement professionalism, project financing, stakeholders involvement and Adoption of ICT.
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents the summary of the findings of the study, conclusions and recommendations. The study assessed determinants of procurement performance in county governments a case of Ministry of health and Emergency services, Machakos, Kenya. It evaluated the general objective of the study which was to establish various determinants that influence procurement performance. To establish the extent to which Procurement Professionalism influences procurement performance in Ministry of Health and Emergency Services. To determine the extent to which stakeholders involvement influence procurement performance in Ministry of Health and Emergency services Machakos County. To determine the extent to which project financing influence procurement performance in Ministry of Health and Emergency and Services. To determine the extent to which adoption of ICT influences procurement performance in Ministry of Health and Emergency Services Machakos County.

5.2 Summary of the Findings

The overall objective of this research work was to determine the determinants of procurement performance in County Governments, A case of Ministry of Health and Emergence Services, Machakos, Kenya. Inorder to achieve this objectives it was necessary to carry out the analysis of the concept which was factors influencing procurement and then analysis of the context which was the County Government, Machakos, Ministry of Health and Emergence Services, the study further focused on the research problem with the aim of coming up with the research gap. The theories underpinning the research were also discussed. The study further identified a questionnaire as the preferred mode of data collection and first established the determinants believed to influence procurement performance and then indicators of those determinants.

The questionnaire targeted the 36 procurement officers in the Ministry of Health and Emergence Services. Questionnaires received amounted to 28 making it 78% response rate. Part A of the
questionnaire contained the general information, Part B was aimed at addressing the objectives of the study looking at the four determinants; Procurement professionalism, project financing, stakeholders involvement and adoption of ICT. This part had closed ended questions with check boxes for the respondents to give their ratings on a 5-point likert scale. 1 being "Strongly Disagree" and 5 being "Strongly Agree" and 1 being "Very low extent" and 5 being "Very great extent".

5.2.1 Procurement Professionalism on Procurement Performance

The findings revealed that in the Ministry of Health and Emergence Services had procurement staffs with relevant skills and knowledge required for efficient and effective procurement performance. The findings also revealed that lack of training, staff competency, key competencies and failure to get experienced staff influenced procurement performance by great extent. The findings also revealed that there were no measures put in place to prevent unethical behaviors of both procurement officer and supplier thus inefficient and ineffective procurement performance. The findings also revealed that the unethical behavior of procurement officers led to high cost of acquisition of goods, services and works hence costly to the Ministry.

5.2.2 Project Financing on Procurement Performance

The findings revealed that indeed Ministry prepared procurement plans annually and in a participatory manner. The findings also revealed that delay in disbursement of funds led to delay in starting projects and uncompleted projects by great extent and that uncompleted projects are as a result of lack of fund, inadequate planning and lack of expertise. The findings also indicated that procurement plan influenced procurement performance as it helps in planning and budgeting, provides focus for efficient utilization of resources, enhances transparency and predictability of procurement process. The findings also revealed that delay in payment of suppliers on time led to delay in service delivery and that no progress report filed with the management. The finding revealed that on the issue of procedures followed on contract management. The findings revealed that there was no adequate governance/oversight that exists over contract management, employees are not provided with necessary tools and training to
support their procurement and contract management responsibilities and appropriate sourcing is not undertaken and documented as appropriate.

5.2.3 Stakeholders Involvement on Procurement Performance

The findings revealed that in the Ministry of Health and Emergence Services they have competent staffs, staffs are taken to training, budgets are prepared and adhered to, resources are available and there is effective decision making. The findings also revealed that there was a good relationship between suppliers and top management in the Ministry. The findings also revealed that by involving community on procurement performance, cost has reduced, standard of living improved and also improved infrastructure.

5.2.4 Adoption of ICT on Procurement Performance

Majority of the respondents 27(95%) strongly agreed that accountability is governments obligation to demonstrate effectiveness in carrying out goals and producing the types of services that the public wants and needs, lack of accountability creates opportunities for corruption, high amounts of discretion without adequate controls can create opportunities for corruption, measurement of goals and results influence procurement performance, Government officials use discretion to license and accredit facilities, provide services and products, opening risk of abuse of power and resource and use of resources justification or explanation of goals and results to internal or external monitors influence procurement performance, punishment or sanctions for non performance or corrupt behavior influence procurement performance, while I (5%) was neutral. majority of the respondents agreed that public authorities are expected to provide excellent services to their constituents in an effective and transparent manner aided by ICT, adoption of IFMIS will improve the procurement process, public are implementing scalable communication infrastructures to promote economic development, in order to meet today’s operating challenges, regional and local governments are turning to ICT to enhance the service by lowering costs and increasing productivity, African nations are lagging severely in ICT severely in ICT adoptions despite the benefits from ICT experienced by others, adoption of IFMIS will improve the procurement process, public are implementing scalable communication infrastructures to promote economic development, in order to meet today’s operating challenges,
regional and local governments are turning to ICT to enhance the service by lowering costs and increasing productivity.

The finding revealed that adoption of ICT influenced procurement performance. Collaboration of e-procurement influenced procurement performance by great extent in information sharing thus reduced transaction cost, channel relationship and organization development. The findings also revealed that e-procurement supplier relationship influenced procurement performance by great extent through good governance, electronic data interchange and transaction cost management. The findings also revealed that high cost of implementing ICT, inadequate e-procurement solutions hindered ICT full automation in the Ministry.

5.3 Conclusion of the study

The objective of this study was to determine the determinants of procurement performance on county governments A case of ministry of health and emergence services, Machakos, Kenya. The results have shown that, procurement professionalism, project financing, stakeholders involvement and ICT adoption had influence on procurement performance in the Ministry. This means that if all these determinants are well addressed, the procurement performance will be improved in the ministry leading to efficient public procurement. Staff competence, training and workshops are significant in procurement performance meaning that efficient and effective procurement performance. Staffs should have necessary knowledge and skills. This is in line with (Nwabuzor,2008) who asserted that the main cause of corruption is poverty is lack of trainings and also weak enforcement of law. Disbursing funds early or on time to the ministry will enable efficient procurement. Embracing ICT in the procurement processes will also increase efficiency in procurement. The study further concludes that adequate planning and planning in a participatory manner contributes to ministry’s efficiency and effectiveness. The study also found out that there no progress report filed in the ministry and therefore need to file progress report for purposes of tracking progress of the projects.
5.4 Recommendations of the study

The ministry should be organizing workshops and trainings for procurement officers in order to improve their skills and knowledge, while employing they should ensure key competencies and experiences are put into consideration. The ministry should also put in place measures to prevent unethical behaviors which is costly to the Ministry.

Early disbursement of funds is also recommended as it leads to completion of project on time. Payment of suppliers on time is also highly recommended so as to ensure steady service delivery. Filing of project progress report is also advocated as it helps to keep a track on the progress of project within the ministry. The ministry should also come up with adequate oversight over procurement contract management and provide employees with necessary tools and training to support them on contract management responsibilities.

High cost of implementing full automation of ICT and inadequate e-procurement solutions is found to be the hindering factor of full automation of procurement functions in the ministry, however it is important for the ministry to adopt full automation of ICT however costly it is as it increases procurement efficiency and effectiveness.

5.5 Recommendation for Further Research

This study looked at four independent variables (Procurement Professionalism, project financing, stakeholder’s involvement and adoption of ICT) which according to the study contribute to large extent in procurement performance at the Ministry of Health and Emergency Services. The determinants reviewed by this study were internal in nature and did not test external determinants such as market, legal environment, political environment, organizational environment, and socio-economic and other environmental factors. To this end therefore a further study should be carried out to establish the external determinants influencing procurement performance in Machakos county. Moreover, a study should also be carried out to establish the challenges faced while carrying out procurement process of supplies in the public sector.
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APPENDICES
APPENDIX 1: LETTERS

1. LETTER OF TRANSMITTAL

JACQUELINE M.NZAMBU,
P.O BOX 1152-80100,
MOMBASA.

Dear Respondent,

RE: COLLECTION OF RESEARCH DATA

I am a post graduate student at the University of Nairobi, in order to fulfill the requirements for the award of the degree of Master of Arts in Project Planning and Management. I am undertaking a research on “Determinants of Procurement Performance in County Governments, The case of Ministry of Health and emergency services, Machakos County, Kenya”

You have been selected to participate in this study. I therefore humbly request your assistance in filling the questionnaires by answering questions honestly and completely. The information being sought is meant for academic purpose only and will not be used against any one. I guarantee confidential treatment of the information that you will provide.

Thanks in advance.

Yours sincerely,

Jacqueline M. Nzambu,

Reg. no.L50/73468/2014
RE: JACQUELINE M. NZAMBU ADMN NO L.50/73469/2014

The above named is a student at The University of Nairobi, College of Education and External Studies, Department of Extra-Mural Studies she is undertaking her Masters Degree of Arts in Project Planning and Management. She is carrying out her research on (DETERMINANTS OF PROCUREMENT PERFORMENCE IN COUNTY GOVERNMENT: A CASE OF MINISTRY OF HEALTH AND EMERGENCY SERVICES, MACHAKOS.)

Any assistance accorded to her is highly appreciated by this Department to enable her compile her final document.

DR. ANGELINE MULWA
RESIDENT LECTURER
GARISSA FMH
3. AUTHORIZATION LETTER FROM MINISTRY OF HEALTH AND EMERGENCY SERVICES

RE: COLLECTION OF DATA

Your request to conduct a research in the department is approved.

After the research the department will require a copy of the Research Findings.

FOR: CHIEF OFFICER

J. Siitenel
4. AUTHORIZATION LETTER FROM MINISTRY OF HEALTH AND EMERGENCY SERVICES

REPUBLIC OF KENYA
GOVERNMENT OF MACHAKOS COUNTY
MINISTRY OF HEALTH & EMERGENCY SERVICES

Machakos Highway
P.O. Box 2574-90100
Machakos, Kenya.
4th March, 2015

J. Sitienei
FOR CHIEF OFFICER

Telephone: +254-44-20575
Fax: 254-44-20655
When replying please quote
Ref. DHES/RESRCH/1/VOL.1/23

Jacqueline Mwende Nzambu
P.O. Box 1152-80100,
MOMBASA

RE: COLLECTION OF DATA

Your request to conduct a research in the department is approved.

After the research the department will require a copy of the Research Findings.
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471, 2241349, 310571, 2219420
Fax: +254-20-318245, 318249
Email: secretary@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

Ref: No. 20th July, 2015

NACOSTI/P/15/3879/7065

Jacqueline Mwende Nzambu
University of Nairobi
P.O. Box 30197-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Determinants of procurement performance in county governments: The case of Ministry of Health and Emergency Services, Machakos, Kenya,” I am pleased to inform you that you have been authorized to undertake research in Machakos County for a period ending 30th November, 2015.

You are advised to report to the County Commissioner, the County Director of Education and the County Coordinator of Health, Machakos County before embarking on the research project.

On completion of the research, you are expected to submit two hard copies and one soft copy in pdf of the research report/thesis to our office.

DR. S. K. LÄNGAT, OGW
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Machakos County.

The County Director of Education
Machakos County.
APPENDIX 2: QUESTIONNAIRES

SECTION A: INTRODUCTION

I am carrying out a study on “Determinants of Procurement Performance in County Governments, A Case of Ministry of Health And Emergency Services, Machakos”

I appreciate your time and kindness to help me complete this questionnaire. Your responses will be treated with a lot of confidentiality and will only be used for academic purpose only. You are not required to write your name on the questionnaire. You can choose to respond to certain questions or discontinue participation at any time.

SECTION A

This questionnaire contains four Parts. Kindly respond to all questions in all four sections by ticking in the space provided or by explaining your opinion briefly on the space provided.

General Data(Kindly tick where appropriate)

1. What is your Gender?
   (a) Male ( )  (b) Female ( )

2. What is your Age bracket?
   (a) 26-35 years  (b) 36-45 years  (c) 46-55 years  (d) Above 55 years

3. What are your terms of Employment?
   (a) Permanent  (b) Contract  (c) Casual/Temporary

4. What is your highest level of Education?
   (a) O-Level ( )  (b) Diploma level ( )  (c) Degree level ( )  (d) Post graduate level ( )

5. Which Position do you hold in your organization?
   (a) Top level manager ( )  (b) Middle level Managers ( )  (c) Supervisory level ( )  (d) Operative (
SECTION B

Objective 1: To establish the extent to which procurement professionalism influence procurement performance in Ministry of Health and Emergency Services, Machakos County.

6. Do you have the necessary skills and knowledge required in procurement performance?
   (a) Yes    (b) No

   And how often is procurement plan prepared in the Ministry? (a) Weekly (b) Monthly (c) Annually (d) Bi-annually

7. How does Procurement plan impact Procurement Performance? and how is it prepared?,
   (a) Positively   (b) Negatively   (c) individually (d) participatory?

8. How often does procurement staff attend workshops to improve their skills and knowledge?
   (a) No training at all (b) Rarely Train   (c) Frequently Train

9. What is your level of agreement with the following statements that influence procurement performance? Where 1== Very Low Extent 2= Low Extent Very Great Extent  3=Moderate Extent  4= Great Extent  5 =Very Great Extent.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Score Card</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Lack of training influence procurement performance</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>• Staff Competency influence procurement performance</td>
<td></td>
</tr>
<tr>
<td>• Failure to get experienced staff influence procurement performance</td>
<td></td>
</tr>
<tr>
<td>• Lack of key Competencies influence procurement performance</td>
<td></td>
</tr>
</tbody>
</table>
10. What is your level of agreement on the measures given, that your Ministry has put in place to prevent unethical practices that influence procurement performance? Where 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

<table>
<thead>
<tr>
<th>Measures</th>
<th>Score card</th>
</tr>
</thead>
<tbody>
<tr>
<td>· Management responsibility by setting high standards of integrity</td>
<td></td>
</tr>
<tr>
<td>· Organizational procedures to prevent fraud and corruption like data security</td>
<td></td>
</tr>
<tr>
<td>· Accounting controls like segregation of duties</td>
<td></td>
</tr>
<tr>
<td>· Procurement controls</td>
<td></td>
</tr>
<tr>
<td>· Develop code of Ethics</td>
<td></td>
</tr>
</tbody>
</table>

11. To what extent does procurement officer’s unethical behaviors influence procurement performance within your Ministry in regard to the following statements? Use rating scale of 1-5 where 1 = Very Great Extent 2 = Great extent 3 = Moderate Extent 4 = Low Extent 5 = Very Low Extent

<table>
<thead>
<tr>
<th>Statements</th>
<th>Score card</th>
</tr>
</thead>
<tbody>
<tr>
<td>· Suppliers confidence to participate in government market place</td>
<td></td>
</tr>
<tr>
<td>· Staffs able to avoid conflict of interest</td>
<td></td>
</tr>
<tr>
<td>· Promotes openness and accountability</td>
<td></td>
</tr>
<tr>
<td>· Reduces cost of managing risks</td>
<td></td>
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<tr>
<td>· High cost of acquisition of goods, services and works</td>
<td></td>
</tr>
</tbody>
</table>

Objective 2: The extent to which project financing influence procurement performance.

12. Do you prepare procurement plan? (a) Yes (b) No

If yes, specify how often?

(a) Annually (b) Bi-annually (c) Quarterly

13. Which manner is your procurement plan formulated?

(a) Some individual (b) Participatory Manner (c) Non-Participatory
14. To what extent does project financing affect procurement performance based on the following statements. Use rating scale of 1-5 points where 1= Very Low Extent  2= Low Extent  3=Moderate Extent  4= Great Extent  5= Very Great Extent

<table>
<thead>
<tr>
<th>Statements</th>
<th>Score card</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>• Delay in starting projects</td>
<td></td>
</tr>
<tr>
<td>• Delay in planning</td>
<td></td>
</tr>
<tr>
<td>• Uncompleted projects</td>
<td></td>
</tr>
<tr>
<td>• Completed projects</td>
<td></td>
</tr>
</tbody>
</table>

15. What is your level of agreement on the uncompleted projects within the Ministry? Use the rating scale of 1-5, where 1=Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5= Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Score card</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>• Caused by lack of funds</td>
<td></td>
</tr>
<tr>
<td>• Inadequate Planning</td>
<td></td>
</tr>
<tr>
<td>• Poor Management/Supervision</td>
<td></td>
</tr>
<tr>
<td>• Lack of expertise</td>
<td></td>
</tr>
<tr>
<td>• Delay in disbursement of funds</td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Statements</th>
<th>Score card</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>• Helps in planning and budgeting</td>
<td></td>
</tr>
<tr>
<td>• Provides focus and efficient utilization of resources</td>
<td></td>
</tr>
<tr>
<td>• Lists all requirements expected to be procured over a period of time</td>
<td></td>
</tr>
<tr>
<td>• Procurement schedule is developed where timeliness is observed</td>
<td></td>
</tr>
<tr>
<td>• Allows consolidation of similar requirements under one contract or into several contract packages for economies of scale</td>
<td></td>
</tr>
<tr>
<td>• It enhances transparency and predictability of the procurement</td>
<td></td>
</tr>
</tbody>
</table>
17. What is your level of agreement on contract management and how it influences procurement performance in your Ministry? Based on the following statements. Use rating scale of 1-5, where 1=Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Score card</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Internal control mechanisms are formed before payments of contracts</td>
<td></td>
</tr>
<tr>
<td>• Delays in payments to suppliers leads to delayed service delivery</td>
<td></td>
</tr>
<tr>
<td>• Lack of proper controls in management of contracts</td>
<td></td>
</tr>
<tr>
<td>• Progress report are not filed with management</td>
<td></td>
</tr>
<tr>
<td>• User manages and monitors projects</td>
<td></td>
</tr>
<tr>
<td>• Timeliness is respected</td>
<td></td>
</tr>
<tr>
<td>• Work plans and contracts terms are adhered to</td>
<td></td>
</tr>
</tbody>
</table>

18. Are procedures adhered to when it comes to contract management within the Ministry? Based on the following statements. Use rating scale of 1-5 where 1=Strongly Disagree 2=Disagree 3=Neutral 4=Disagree 5= Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Score card</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Adequate governance/oversight exists over procurement contract management</td>
<td></td>
</tr>
<tr>
<td>• Procurement and contracting needs/requirements are identified in a coordinated and timely manner</td>
<td></td>
</tr>
<tr>
<td>• Procurement and contracting</td>
<td></td>
</tr>
</tbody>
</table>
information used for reporting purposes is accurate and appropriate

- Employees are provided with necessary tools and training to support their procurement and contract management responsibilities
- Appropriate sourcing is undertaken and documented as appropriate
- Payments are made only for services received and in accordance with contract terms and conditions and in the appropriate period

### Objective 3: To what extent does Stakeholders involvement influence procurement performance?

19. What are the influences of top management involvement on procurement performance in your Ministry? Based on the following statements. Use rating scale of 1-5 where 1=Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Score card</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>- Competent staffs are employed</td>
<td></td>
</tr>
<tr>
<td>- Resource allocations are available</td>
<td></td>
</tr>
<tr>
<td>- Budgets are prepared and adhered to</td>
<td></td>
</tr>
<tr>
<td>- Staffs are taken training thus improved service delivery</td>
<td></td>
</tr>
<tr>
<td>- Effective decision making</td>
<td></td>
</tr>
<tr>
<td>- Achieving organization goals and objective on time</td>
<td></td>
</tr>
</tbody>
</table>
20. Kind of relationship that exists between suppliers and top management based on the following statements? Use rating scale of 1=Good 2= Poor 3=Strained

<table>
<thead>
<tr>
<th>Statement</th>
<th>Scorecard</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Timely Supply</td>
<td></td>
</tr>
<tr>
<td>Timely Payment</td>
<td></td>
</tr>
<tr>
<td>Adherence to Specification</td>
<td></td>
</tr>
<tr>
<td>Delay in supply</td>
<td></td>
</tr>
<tr>
<td>Delayed Payments</td>
<td></td>
</tr>
<tr>
<td>Poor awarding of tenders</td>
<td></td>
</tr>
<tr>
<td>Failure to adhere to specifications</td>
<td></td>
</tr>
</tbody>
</table>

21. Do you involve community in procurement performance within the county?
   (a) Yes   (b) No
   If yes, specify how often:
   (a) Rarely   (b) Sometimes   (c) Not at all   (d) Frequently

22. What benefits are accrued by involving Community on procurement performance? Based on the following statements. Use rating scale of 1-5 where 1=Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Scored card</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Cost reduction by sourcing locally</td>
<td></td>
</tr>
<tr>
<td>Improved standards of living of the locals</td>
<td></td>
</tr>
<tr>
<td>Increased revenue collection</td>
<td></td>
</tr>
<tr>
<td>Crime reduction within the county</td>
<td></td>
</tr>
<tr>
<td>Improved infrastructure</td>
<td></td>
</tr>
<tr>
<td>Self help-initiatives group</td>
<td></td>
</tr>
<tr>
<td>Promotes fairness</td>
<td></td>
</tr>
</tbody>
</table>
Objective 4: ICT Adoption and Influence on Procurement Performance.

23. What is your level of agreement on the following statements in regard to accountability on procurement performance? Use rating scale of 1-5 where 1=Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Score card</th>
</tr>
</thead>
<tbody>
<tr>
<td>· Accountability is government’s obligation to demonstrate effectiveness in carrying out goals and producing the types of services that the public wants and need</td>
<td></td>
</tr>
<tr>
<td>· Lack of accountability creates Opportunities for corruption.</td>
<td></td>
</tr>
<tr>
<td>· High amounts of discretion without adequate controls can create opportunities for corruption</td>
<td></td>
</tr>
<tr>
<td>· Measurement of goals and results affect procurement performance</td>
<td></td>
</tr>
<tr>
<td>· Government officials use discretion to license and accredit facilities, providers, services and products, opening risk of abuse of power and use of resources.</td>
<td></td>
</tr>
<tr>
<td>· Justification or explanation of goals and results to internal or external monitors affect procurement performance</td>
<td></td>
</tr>
<tr>
<td>· Punishment or sanctions for nonperformance or corrupt behavior affect Procurement performance</td>
<td></td>
</tr>
</tbody>
</table>
24. What is your level of agreement on the following statements in regard to adoption of ICT on procurement performance? Use rating scale of 1-5 where 1=Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Score card</th>
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<tbody>
<tr>
<td></td>
<td>1 2 3 3 5</td>
</tr>
<tr>
<td>• Public authorities are expected to provide excellent service to their constituents in an effective and transparent manner aided by ICT</td>
<td></td>
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<tr>
<td>• Use of electronic vote book makes the procurement process more efficient</td>
<td></td>
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<tr>
<td>• Computer literacy is key to staff handling procurement matters</td>
<td></td>
</tr>
<tr>
<td>• In order to meet today's operating challenges, regional and local governments are turning to ICT to enhance the services by lowering costs and increasing productivity</td>
<td></td>
</tr>
<tr>
<td>• Adoption of IFMIS will improve the procurement process.</td>
<td></td>
</tr>
<tr>
<td>• Public authorities are implementing scalable communication infrastructures to promote economic development</td>
<td></td>
</tr>
</tbody>
</table>

25. To what extent does ICT influence procurement performance in your Ministry? Based on the following statements. Use rating scale of 1-5 where 1= Very low Extent 2= Low Extent 3= Moderate Extent 4= Great Extent 5= Very Great Extent

<table>
<thead>
<tr>
<th>Statements</th>
<th>Score card</th>
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<tbody>
<tr>
<td></td>
<td>1 2 3 4 5</td>
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<tr>
<td>• Reduction of purchasing cycle time</td>
<td></td>
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<tr>
<td>• Reliability</td>
<td></td>
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<tr>
<td>• Flexibility</td>
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<tr>
<td>• E-procurement, electronic data interchange and Emails are used in the organization</td>
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</tr>
<tr>
<td>• Reduced cost being paperless</td>
<td></td>
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</tbody>
</table>
26. How has e-procurement collaboration influenced procurement performance in your Ministry? Based on the following statements. Use rating scale of 1=Strongly Disagree   2= Disagree 3=Neutral 4=Agree 5= Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Score card</th>
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<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Information sharing</td>
<td></td>
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<tr>
<td>Organization development</td>
<td></td>
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<tr>
<td>Organization system development</td>
<td></td>
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<tr>
<td>Channel relationships</td>
<td></td>
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</tbody>
</table>

27. To what extent does supplier relationship influenced Procurement performance in your Ministry? Based on the following statements. Use Rating scale of 1-5 Where 1= Very Low Extent 2= Low Extent 3=Moderate Extent 4= Great Extent 5= Very Great Extent

<table>
<thead>
<tr>
<th>Statements</th>
<th>Scored Card</th>
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<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Cost reduction</td>
<td></td>
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<tr>
<td>Electronic Data Interchange</td>
<td></td>
</tr>
<tr>
<td>Transaction cost management</td>
<td></td>
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<tr>
<td>Good governance</td>
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<tr>
<td>Internet Control Application</td>
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28. Which of the following factor hinders ICT, full automation in your Ministry to enhance Procurement Performance? Use rating scale of 1-5 Where 1=Strongly Disagree 2=Disagree 3=Neutral 4 =Agree 5= Strongly Agree

<table>
<thead>
<tr>
<th>Factors</th>
<th>Score card</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>High cost of implementing</td>
<td></td>
</tr>
<tr>
<td>Lack of top management Support</td>
<td></td>
</tr>
<tr>
<td>Inadequate e-procurement Solutions</td>
<td></td>
</tr>
<tr>
<td>Lack of Skilled Personnel</td>
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</tbody>
</table>